



ANNUAL REPORT

Annual Report and Accounts for the year ended 31 May 2004

Company Registered Number: 04007132



The Football Stadia Improvement Fund

supporter of the football foundation



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funding partners



Directors and advisers

Directors

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

*Member of Audit
and Remuneration Committee

Secretary

P A Lee

Registered office

25 Soho Square
London
W1D 4FF

Solicitors

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

Registered auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Bankers

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



4 Directors' report

for the year ended 31 May 2004

The directors present their report and the audited financial statements of The Football Stadia Improvement Fund Ltd for the year ended 31 May 2004.

Membership

The members of the company are The Football Association and The F.A. Premier League. The company is a Company Limited by Guarantee. 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.

Review of activities

The principal activity of the company is to provide funding for activities relating to the safety and re-development of football stadia.

The results for the year are set out in the profit and loss account on page 6.

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

The Football Association and The F.A. Premier League have agreed to fund the company's planned activities over the next three years.

Donations received in the year are set out in Note 11 to the financial statements, and include monies received from The Football Association, The F.A. Premier League and Littlewoods and Vernons pools companies. Future funding will be from the Football Association and the F.A. Premier League.

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 |

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 May 2004 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

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

By order of the board



P A Lee
Company Secretary
8 December 2004

Independent auditors' report

to the members of The Football Stadia Improvement Fund Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' 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 into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the 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 directors' report.

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 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 company's affairs at 31 May 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

London

8 December 2004

Profit and loss account for the year ended 31 May 2004

| | Notes | Year ended 31 May 2004 £'000 | Year ended 31 May 2003 £'000 |
|---|-------|------------------------------------|------------------------------------|
| Income | | | |
| Interest received | 3 | 422 | 426 |
| Other income | | 28 | 25 |
| Expenditure | | | |
| Operating expenses | | <u>(488)</u> | <u>(494)</u> |
| Operating loss | 2 | <u>(38)</u> | <u>(43)</u> |
| Gift aid payment to The Football Foundation | 6 | <u>(333)</u> | <u>(337)</u> |
| Loss before taxation | | <u>(371)</u> | <u>(380)</u> |
| Taxation | 6 | <u>-</u> | <u>-</u> |
| Loss after taxation | | <u>(371)</u> | <u>(380)</u> |
| Retained loss for the year | 13 | <u><u>(371)</u></u> | <u><u>(380)</u></u> |

All activities are continuing.

The company had no gains or losses other than those included in the result above. Therefore no separate statement of total recognised gains and losses has been presented.

Balance sheet as at 31 May 2004

| | Notes | 31 May 2004 £'000 | 31 May 2003 £'000 |
|---|-------|-----------------------|----------------------|
| Fixed assets | | | |
| Intangible assets | 7 | <u>-</u> | <u>(86)</u> |
| Current assets | | | |
| Debtors – due within one year | 8 | 1,116 | 1,719 |
| – due in more than one year | 9 | 1,234 | 2,004 |
| Cash on deposit | | <u>16,314</u> | <u>13,031</u> |
| | | <u>18,664</u> | <u>16,754</u> |
| Creditors: amounts falling due within one year | 10 | <u>(9,753)</u> | <u>(10,774)</u> |
| Net current assets | | <u>8,911</u> | <u>5,980</u> |
| Total assets less current liabilities | | <u>8,911</u> | <u>5,894</u> |
| Capital Funds: falling due in more than one year | 11 | <u>(10,230)</u> | <u>(6,842)</u> |
| Net liabilities | | <u><u>(1,319)</u></u> | <u><u>(948)</u></u> |
| Capital and reserves | | | |
| Profit and loss account | 13 | <u>(1,319)</u> | <u>(948)</u> |
| Equity Shareholders' Funds | | <u><u>(1,319)</u></u> | <u><u>(948)</u></u> |

The financial statements which comprise the profit and loss account, the balance sheet and the related notes were approved by the board of directors on 8 December 2004 and were signed on its behalf by:

DG Richards.

Director

Notes to the financial statements

for the year ended 31 May 2004

1. Principal accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Cash flow statement

The company qualifies as a small company under the terms of Section 247 of the Companies Act 1985 and consequently has taken advantage of the exemption provided by FRS1 (Revised) relating to small companies and has not published a cash flow statement.

Goodwill

Negative goodwill represents the excess of the fair value of the consideration paid for assets acquired from The Football Trust over the fair value of those assets.

Negative goodwill is credited to the profit and loss account on a straight-line basis over its expected useful economic life.

Donations

Capital donations received during the year are accounted for on a cash received basis, and have been included in the movements in capital funds.

Grants

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

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.

2. Operating (loss)/profit

Operating loss is stated after charging/(crediting):

| | Year ended 31 May 2004 £'000 | Year ended 31 May 2003 £'000 |
|---|------------------------------------|------------------------------------|
| Amortisation of negative goodwill | (86) | (85) |
| Auditors' remuneration – for audit services | 9 | 7 |
| Auditors' remuneration – for non-audit services | – | 11 |

3. Interest receivable

| | Year ended 31 May 2004 £'000 | Year ended 31 May 2003 £'000 |
|------------------------|------------------------------------|------------------------------------|
| Bank interest received | 422 | 426 |

4. Directors' emoluments

Staff costs include the following remuneration paid to directors:

| | Year ended 31 May 2004 £'000 | Year ended 31 May 2003 £'000 |
|-----------------------|------------------------------------|------------------------------------|
| Wages and salaries | 10 | 31 |
| Social security costs | 1 | 4 |
| Pension costs | – | – |
| | 11 | 35 |

5. Employees and staff costs

| | Year ended 31 May 2004 £'000 | Year ended 31 May 2003 £'000 |
|-----------------------|------------------------------------|------------------------------------|
| Wages and salaries | 131 | 151 |
| Social security costs | 15 | 15 |
| Pension contributions | 8 | 7 |
| | <u>154</u> | <u>173</u> |

The employees of The Football Stadia Improvement Fund have joint contracts with The Football Foundation. A proportion of their costs incurred have been recharged to The Football Stadia Improvement Fund Limited by The Football Foundation as set out above.

6. Taxation

The Football Stadia Improvement Fund Limited gifts its taxable profit for the year to The Football Foundation, which is a registered charity. No liability to Corporation Tax therefore arises.



7. Intangible fixed assets

| | Negative Goodwill £'000 |
|-----------------------|----------------------------|
| Cost | |
| At 1 June 2003 | (344) |
| At 31 May 2004 | <u>(344)</u> |
| Amortisation | |
| At 1 June 2003 | 258 |
| Released in year | 86 |
| At 31 May 2004 | <u>344</u> |
| Net book value | |
| At 31 May 2004 | <u>–</u> |
| At 1 June 2003 | <u>86</u> |

The negative goodwill, which arose on the acquisition of assets from The Football Trust, has been amortised over four years, this being the initial period over which The Football Stadia Improvement Fund will receive its share of funding from The Football Association, The F.A. Premier League and the Government.

8. Debtors due within one year

| | 31 May 2004 £'000 | 31 May 2003 £'000 |
|--------------------------------|----------------------|----------------------|
| Loans to football clubs | 955 | 1,645 |
| Other debtors | 37 | 70 |
| Prepayments and accrued income | 124 | 4 |
| | <u>1,116</u> | <u>1,719</u> |

9. Debtors due within more than one year

| | 31 May 2004 £'000 | 31 May 2003 £'000 |
|-------------------------|----------------------|----------------------|
| Loans to football clubs | 1,234 | 2,004 |
| | <u>1,234</u> | <u>2,004</u> |

Loans to football clubs represent amounts advanced to certain F.A. Premier League, Football League and Scottish football clubs. The loans are repayable over periods of up to five years and are interest free. The F.A. Premier League and Football League guarantee the loans to English Clubs as appropriate. Loans to Scottish football clubs are guaranteed by The Scottish Premier League and Scottish Football League as appropriate.

10. Creditors: amounts falling due within one year

| | 31 May 2004 £'000 | 31 May 2003 £'000 |
|-----------------|----------------------|----------------------|
| Grants payable | 9,193 | 10,016 |
| Trade creditors | 140 | 361 |
| Accruals | 420 | 397 |
| | <u>9,753</u> | <u>10,774</u> |

11. Capital Funds

| | Reduction in Pool Betting Duty account £'000 | Littlewoods Spot the Ball account £'000 | Football Association Contribution account £'000 | F.A. Premier League Contribution account £'000 | Funds held for Scotland, Wales and Northern Ireland (Note 11) £'000 | Total £'000 |
|-----------------------------------|---|---|---|---|--|----------------|
| Opening balances 1 June 2003 | 3,119 | 329 | (2,087) | 984 | 4,485 | 6,830 |
| Adjustment to opening balances | 194 | – | – | – | (180) | 14 |
| Funds received | 725 | – | 13,000 | 7,000 | 315 | 21,040 |
| Interest received | – | – | – | – | 169 | 169 |
| Tax payable on interest | – | – | – | – | (41) | (41) |
| Less: | | | | | | |
| Grants payable out of capital | (77) | – | (8,097) | (9,283) | – | (17,457) |
| Funds released | – | – | – | – | (325) | (325) |
| Balance at 31 May 2004 | <u>3,961</u> | <u>329</u> | <u>2,816</u> | <u>(1,299)</u> | <u>4,423</u> | <u>10,230</u> |

Capital grants have been disclosed in the Balance Sheet as due in more than one year as funds will be paid out over a period as and when grants are made. This period will exceed one year, although certain amounts will be paid out in the succeeding financial year.

The adjustment to opening balances shown above relates to the effect of an error made within the company's financial ledger when balances were transferred from The Football Trust to The Football Stadia Improvement Fund. As a result the funds that were incorrectly allocated to Scotland, Wales and Northern Ireland have been reallocated to the Reduction in Pool Betting Duty Account. The remaining adjustment relates to an incorrect entry made in the prior year resulting in an understatement of funds of £14k.

12. Funds held for Scotland, Wales and Northern Ireland

| | Scotland | | | Wales | | Northern Ireland | | Total £'000 |
|--|--|---|---|---|---|--|---|----------------|
| | Littlewoods Spot the Ball account £'000 | Reduction in Pool Betting Duty £'000 | Scottish Football Association Contribution account £'000 | Reduction in Pool Betting Duty £'000 | Football Association of Wales Contribution account £'000 | Littlewoods Spot the Ball account £'000 | Reduction in Pool Betting Duty £'000 | |
| Opening balances at 1 June 2003 | 491 | 333 | 3,368 | 43 | 70 | 70 | 110 | 4,485 |
| Adjustment to opening balances (see note 11) | 12 | (63) | 2 | (36) | – | – | (95) | (180) |
| Funds received | – | 57 | – | 70 | – | – | 188 | 315 |
| Interest received | 26 | 22 | 117 | – | 3 | – | 1 | 169 |
| Tax payable on interest | (6) | (5) | (29) | – | (1) | – | – | (41) |
| Less: | | | | | | | | |
| Grants payable out of capital | – | – | – | – | – | – | – | – |
| Funds released | – | (61) | – | (71) | – | – | (193) | (325) |
| Balance at 31 May 2004 | 523 | 283 | 3,458 | 6 | 72 | 70 | 11 | 4,423 |

13. Profit and loss account

| | 31 May 2004 £'000 | 31 May 2003 £'000 |
|----------------------------|----------------------|----------------------|
| At 1 June 2003 | (948) | (568) |
| Retained loss for the year | (371) | (380) |
| At 31 May 2004 | <u>(1,319)</u> | <u>(948)</u> |

14. Commitments

All grant commitments have been recognised once the grant recipient has confirmed their acceptance of the offer. In addition, grants totalling £1,341,308 have been offered where acceptance is awaited.

15. Related party transactions

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 £7,000,000 to The Football Stadia Improvement Fund during the year.

Mr G. Thompson is the Chairman and Mr Richards and Mr Burden are directors of The Football Association. The Football Association donated £13,000,000 to The Football Stadia Improvement Fund during the year.

Mr Burden is a shareholder of Cheltenham Town Football Club. During 2003/04 a grant of £11,043 was made to Cheltenham Town F.C for the provision of new turnstiles.

As described in Note 5, employees of The Football Stadia Improvement Fund have joint employment contracts with The Football Foundation and, accordingly, a portion of their costs incurred have been recharged to The Football Stadia Improvement Fund. In addition The Football Foundation recharges The Football Stadia Improvement Fund Limited for an agreed proportion of its running costs.

The Football Stadia Improvement Fund gifts (under gift aid) its taxable profit for the year to The Football Foundation, which is a registered charity.

16. Ultimate controlling party

Each of The Football Association and The F.A. Premier League control 50 per cent of The Football Stadia Improvement Fund Limited. Accordingly there is no ultimate controlling party.





The Football Stadia Improvement Fund

supporter of the football foundation

The Football Stadia Improvement Fund Limited
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Company Registered Number 04007132

funding partners

