



**The Football Stadium
Improvement Fund**

supporter of the football foundation

ANNUAL REPORT AND
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 MAY 2011

.co.uk

HIREBASE ONLINE



CONTENTS

Directors and advisers	2
Directors' report	3
Independent auditors' report for the year ended 31 May 2011	4
Profit and loss account	8
Balance sheet	9
Notes to the financial statements	10

DIRECTORS AND ADVISERS

Directors

C R Sherling (resigned 2 March 2011)
R F Burden (resigned 1 October 2010)
Rt Hon Richard Caborn (resigned 1 October 2010)
J P B Hall
P D G McComick OBE*
R C Scudamore
P J Smith (resigned 1 October 2010)
*Chairman (acting)

Company Secretary

PT Fitzboydon

Registered office

Whittington House
19-30 Alfred Place
London
WC1E 7EA

Solicitors

Bates, Wells & Braithwaite
2-6 Cannon Street
London
EC4M 6YH

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

Bankers

Barclays Bank PLC
Corporate Banking Group
27th Floor
1 Churchill Place
London
E14 5HP

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2011

The directors present their report and the audited financial statements of the company 04007132 for the year ended 31 May 2011. The directors' report has been prepared in accordance with the small companies regime of the Companies Act 2006.



Membership

The members of the company are The Football Association and the 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.

Principal activities

The Football Stadia Improvement Fund Limited acts as an agent for the Premier League in passing on funding for activities relating to the safety and comfort of spectators at, and the re-development of, football stadia.

Review of activities

The results for the year are set out in the profit and loss account on page 8. 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 Premier League have committed to providing funding for at least £6m per annum for the 2011/12 and 2012/13 financial years. Capital donations received in the year are set out in note 10 to the financial statements, and include monies received from The F.A. Premier League and The Football Association.

Directors

Directors are appointed as follows:

The Football Association	One director
The Premier League	One director
To be jointly appointed by the above directors:	One director who shall be the chairperson

Financial risk management

The company's operations expose it to a variety of risks that include liquidity risk and interest rate risk. In view of the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The directors seek to manage these risks as follows:

Liquidity risk

The company operates with short term financing designed to ensure that the company has sufficient funds available for operation. The Premier League has agreed to provide financial support to The Football Stadia Improvement Fund Limited, as and when required, up to the amount of working capital necessary to ensure that it is able to meet its debts as they fall due.

Interest rate risk

The company's bank facilities are subject to variable rates of interest with no hedging in place to manage exposure to changes in those rates. This policy will be revisited should the directors consider it necessary.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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.

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, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

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

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 2006. 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure of information to auditors

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

Independent Auditors

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

By order of the board



Pete Fitzboydon
Company secretary
16 November 2011

Independent auditors' report to the members of The Football Stadia Improvement Fund Limited

We have audited the financial statements of The Football Stadia Improvement Fund Limited for the year ended 31 May 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as applicable to financial statements prepared in accordance with the small companies regime of the Companies Act 2006.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of director's responsibilities set out on page 6 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Review to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2011 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare financial statements and the directors' report in accordance with the small company regime and take advantage of the small companies' exemption in preparing the Director's Report.



Ian Dixon (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
1 December 2011

PROFIT AND LOSS ACCOUNT

Profit and Loss Account for the year ended 31 May 2011

	Notes	2111 £'000	2010 £'000
Income			
Donations		450	-
Expenditure			
Administrative expenses	3	(450)	(591)
		-	(591)
Interest receivable		250	3
Profit/(loss) on ordinary activities before taxation		250	(588)
Taxation on profit/(loss) on ordinary activities	6	-	-
Profit/(loss) for the financial year	11	250	(588)

All activities are continuing.

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

There is no difference between the loss on ordinary activities before taxation and the profit/(loss) for the year stated above and their historical cost equivalents.

The notes on pages 10 to 14 form part of these financial statements.

BALANCE SHEET

Balance Sheet for the year ended 31 May 2011

	Notes	2011 £'000	2010 £'000
Current assets			
Debtors – Due within one year	7	3,987	2,981
– Due in more than one year	8	2,000	2,000
		<u>5,987</u>	<u>4,981</u>
Cash on deposit		2,514	265
		<u>8,501</u>	<u>5,246</u>
Creditors: amounts falling due within one year	9	<u>(12,094)</u>	<u>(9,089)</u>
Net current liabilities		<u>(3,593)</u>	<u>(3,843)</u>
Total assets less current liabilities		<u>(3,593)</u>	<u>(3,843)</u>
Net liabilities		<u>(3,593)</u>	<u>(3,843)</u>
Reserves			
Profit and loss account	11	<u>(3,593)</u>	<u>(3,843)</u>

The notes on pages 10 to 14 form part of these financial statements.

The financial statements which comprise the profit and loss account, the balance sheet and the related notes were approved by the board of Directors and signed on its behalf on 16 November 2011 by:



Peter McCormick OBE
Chairman (acting)

NOTES TO THE FINANCIAL STATEMENTS

Notes to the financial statements for the year ended 31 May 2011

1. Principal accounting policies

The financial statements have been prepared under the historical cost convention, in accordance with the Companies Act 2006 and 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.

Income and expenditure

Income is accounted for on a receivable basis and expenditure is accounted for on an accruals basis. A £2m loan was advanced to a Football League club in February 2005. Interest receivable has been recognised in the year due to the expectation that this amount will now be received on the long term loan.

Going concern

The Premier League have confirmed to the directors that they will provide funds over the next two years as part of their commitment to the company that will enable it to meet the grant commitments that it has made in advance of the receipt of funding.

The Premier League has also confirmed that it will provide sufficient financial support to the company to enable it to meet its commitments as they fall due and for at least another twelve months after the date of signing these financial statements. As a result, the directors consider the going concern basis suitable for the year ended 31 May 2011 financial statements.

Cash flow statement

The company qualifies as a small company under the terms of Section 383 of the Companies Act 2006 and consequently has taken advantage of the exemption provided by FRS1 (Revised) relating to small companies and has not published a cash flow statement.

Capital contributions and grants payable

The company acts as agent for the Premier League. Contributions received are credited to a capital contribution account. Grants made are deducted from the contribution account 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 grants made.

Deferred taxation

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

2. Operating profit/(loss)

Operating profit/(loss) is stated after charging:

	2011	2010
	£'000	£'000
Auditors' remuneration (inclusive of VAT) – for audit services	(11)	(12)
Auditors' remuneration (inclusive of VAT) – for non-audit services	<u>-</u>	<u>(7)</u>

3. Interest receivable

	2011	2010
	£'000	£'000
Loan interest	245	-
Bank interest	5	3
Total interest received	<u>250</u>	<u>3</u>

A £2m loan was advanced to a Football League club in February 2005. Interest receivable has been recognised in the year due to the expectation that this amount will now be received.

4. Directors' emoluments

No directors were paid remuneration for the year ended 31 May 2011 (2010:£nil).

5. Administration costs

The Football Foundation makes a charge of £450,000 to The Football Stadia Improvement Fund to cover salaries and other administrative costs incurred on its behalf.

6. Taxation on profit/(loss) on ordinary activities

a. Analysis of charge in the year

Current tax

On losses for the year

	2011	2010
	£'000	£'000
On losses for the year	-	-

b. Factors affecting the tax charge for the year

Profit/(loss) on ordinary activities before payment of deed of gift aid and taxation

Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2010 28%)

Expenses not deductible for tax purposes

Taxation on gift aid payments

Loss carried forward

	2011	2010
	£'000	£'000
Profit/(loss) on ordinary activities before payment of deed of gift aid and taxation	250	(588)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2010 28%)	-	(165)
Expenses not deductible for tax purposes	-	-
Taxation on gift aid payments	-	-
Loss carried forward	-	(165)

c. Factors likely to affect future tax charges

The company covenants its taxable profits to The Football Foundation and is unlikely to attract tax charges in the foreseeable future.

A deferred tax asset has not been recognised on the basis that sufficient profits cannot be guaranteed at this stage of the company's development.

7. Debtors due within one year

Amount due from The Football Foundation Trading Limited

Other debtors

Prepayments and accrued income

	2011	2010
	£'000	£'000
Amount due from The Football Foundation Trading Limited	191	155
Other debtors	-	10
Prepayments and accrued income	3,796	2,816
	<u>3,987</u>	<u>2,981</u>

8. Debtors due after more than one year

Loan to football league club

	2011	2010
	£'000	£'000
Loan to football league club	2,000	2,000

The loan represents an amount advanced to a Football League club. The loan is repayable over periods of up to ten years, is interest bearing and guaranteed by the club as appropriate.

9. Creditors: amounts falling due within one year

	2011	2010
	£'000	£'000
Grants payable	2,101	6,906
Trade creditors	2	18
Amounts due to The Football Foundation	1,642	690
Accruals	16	41
Capital contributions uncommitted (see note 10)	8,333	1,434
	<u>12,094</u>	<u>9,089</u>

10. Balance of capital contribution

	Littlewoods Spot the Ball £'000	Football Association £'000	Premier League £'000	Total £'000
At 1 June 2010	333	1,303	(202)	1,434
Funds receivable	-	589	4,700	5,289
New grants awarded	-	-	(1,379)	(1,379)
Grants withdrawn	-	-	2,898	2,989
Funds transferred	(333)	(1,892)	2,225	-
	<u>-</u>	<u>-</u>	<u>8,333</u>	<u>8,333</u>
At 31 May 2011	<u>-</u>	<u>-</u>	<u>8,333</u>	<u>8,333</u>

11. Profit and loss account

	2011	2010
	£'000	£'000
At 1 June	3,843	(3,255)
Profit/(loss) for the financial year	250	(588)
At 31 May 2011	<u>(3,593)</u>	<u>(3,843)</u>

12. Commitments

All grant commitments have been recognised once the grant has been authorised and communicated to the recipient.

13. Related party transactions

Mr R C Scudamore is the Chief Executive of The Premier League. The Premier League donated £5,150,000 (2010: £2,812,500) to The Football Stadia Improvement Fund Limited during the year.

Mr R F Burden is a director of The Football Association. The Football Association donated £589,000 (2010: £2,812,500) to The Football Stadia Improvement Fund Limited during the year.

Each year, as described in note 5, employees of The Football Stadia Improvement Fund Limited have joint employment contracts with The Football Foundation.

14. Ultimate controlling party

The F.A. Premier League controls 100 per cent of The Football Stadia Improvement Fund Limited. Accordingly there is no ultimate controlling party.