



The Football Stadia Improvement Fund

FUNDED BY



The Football Stadia Improvement Fund Limited Annual Report and Financial Statements for the year ended 31 May 2015

Company Registered Number: 04007132



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DIRECTORS AND ADVISERS

DIRECTORS

J P B Hall*

P D G McCormick OBE**

R C Scudamore

*Resigned 31 July 2015.

Replaced by M Glenn on 31 July 2015.

**Chairman

CHIEF EXECUTIVE

P J Thorogood

COMPANY SECRETARY

D McDermott

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

1 Embankment Place

London

WC2N 6RH

BANKERS

Barclays Bank PLC

Corporate Banking Group

27th Floor

1 Churchill Place

London

E14 5HP



DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2015

The Directors present their report and the audited financial statements of the company 04007132 for the year ended 31 May 2015. The Directors' report has been prepared in accordance with the small companies regime, section 415A, of the Companies Act 2006.

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 ("FSIF") 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 redevelopment of, football stadia.

DIRECTORS

Three 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

The names of the Directors are set out on page 3. No Director held beneficial interests in the shares of the company as at 31 May 2015 or at any time during the year.

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 FSIF, 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.

REVIEW OF ACTIVITIES

The results for the year are set out in the profit and loss account on page 10. 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 has committed to providing funding of up to £5.2m per annum (2014: £5.2m) for the next financial year. Capital donations received from The Premier League in the year are set out in note 10 to the financial statements.

GOING CONCERN

The financial statements are prepared on a going concern basis, with net assets of £184,000 shown on the company's balance sheet.

INTEREST RATE RISK

The company's financing 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 Directors' 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 prepared the financial statements in

accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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.

Approval by order of the Board of Directors

D McDermott
Company Secretary

21 September 2015

Reg no: 04007132



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FOOTBALL STADIA IMPROVEMENT FUND LIMITED

REPORT ON THE FINANCIAL STATEMENTS

OUR OPINION

In our opinion, The Football Stadia Improvement Fund Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 May 2015 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 requirements of the Companies Act 2006.

WHAT WE HAVE AUDITED

The financial statements comprise:

- the Balance sheet as at 31 May 2015;
- the Profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

ADEQUACY OF ACCOUNTING RECORDS AND INFORMATION AND EXPLANATIONS RECEIVED

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

DIRECTORS' REMUNERATION

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

ENTITLEMENT TO EXEMPTIONS

Under the Companies Act 2006 we are required to report to you if, in our opinion, the Directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption from preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

OUR RESPONSIBILITIES AND THOSE OF THE DIRECTORS

As explained more fully in the Statement of Directors' responsibilities set out on page 4, 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) (“ISAs (UK & 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.

WHAT AN AUDIT OF FINANCIAL STATEMENTS INVOLVES

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors’ judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

John Minards (Senior Statutory Auditor)

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

5 October 2015



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2015

	Note	2015 £'000	2014 £'000
Income		443	356
Administrative expenses	5	(443)	(356)
Interest receivable and similar income	3	46	46
Profit on ordinary activities before taxation		46	46
Tax on profit on ordinary activities	6	-	-
Profit for the financial year	12	46	46

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 material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

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



BALANCE SHEET AS AT 31 MAY 2015

	Note	2015 £'000	2014 £'000
Current assets			
Debtors: Amounts falling due within one year	7	324	510
Cash at bank and in hand		7,771	8,449
		8,095	8,959
Debtors: Amounts falling due after more than one year	8	2,000	2,000
		10,095	10,959
Creditors: Amounts falling due within one year			
	9	(9,911)	(10,821)
Net assets		184	138
Capital and reserves			
Profit and loss account	12	184	138
Total Shareholders' funds		184	138

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 21 September 2015 by:

P D G McCormick OBE
Chairman



NOTES TO THE FINANCIAL STATEMENTS

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. 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 has confirmed to the Directors that it will provide funds over the next financial year as part of their commitment to the company which will enable it to meet the grant commitments that the company 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 2015 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 an 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

Operating result is stated after charging:

	2015	2014
	£'000	£'000
Auditors' remuneration (inclusive of VAT) – for audit services	11	11
Auditors' remuneration (inclusive of VAT) – for non-audit services	8	6

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2015	2014
	£'000	£'000
Loan interest	20	20
Bank interest	26	26
	46	46

A £2.0m loan was advanced to a Football League club in February 2005 (note 8). At the year end this loan remains in place and remains outstanding and as such interest continues to accrue.

4. DIRECTORS' EMOLUMENTS

No Directors were paid remuneration for the year ended 31 May 2015 (2014: £nil).

5. ADMINISTRATIVE EXPENSES

The Football Foundation makes a charge of £443,000 (2014: £356,000) to FSIF to cover salaries and other administrative costs incurred on its behalf.

Income relates to a share of the capital contribution received from the Premier League (note 10) which matches expenditure incurred in the financial year.

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

A. ANALYSIS OF CHARGE IN THE YEAR

	2015	2014
	£'000	£'000
Current tax		
On profit for the financial year	-	-

B. FACTORS AFFECTING THE TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower (2014: lower) than the standard rate of corporation tax in the UK of 20.83% (2014: 22.67%)

	2015	2014
	£'000	£'000
Profit on ordinary activities before payment of deed of gift aid and taxation	46	46
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.83% (2014: 22.67%)	10	10
Expenses not deductible for tax purposes	73	-
Taxation on gift aid payments	(92)	-
Losses carried forward	9	-
Non-taxable income	-	(10)
Current year tax charge	-	-

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 of £23,428 (2014: £618) has not been recognised on the basis that sufficient profits cannot be guaranteed at this stage of the company's development.

A number of changes to the UK corporation tax system were announced in the March 2014 UK budget statement reducing the corporation tax to 20% from 1 April 2015. The July 2015 UK budget statement announced further reductions to the rate of corporation tax to 19% in 2017 and then to 18% in 2020.

These further reductions had not been substantially enacted at the balance sheet date and are therefore not reflected in these accounts. Accordingly, deferred tax values have been calculated at 20%.

Deferred tax asset calculation

	Year ended 31 May 2015	Year ended 31 May 2014
Enacted corporate rate	20%	20%
Losses carried forward (£'000)	117,141	3,090
Deferred tax asset (£'000)	23,428	618

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £'000	2014 £'000
Trade debtors	-	11
Amounts owed by The Football Foundation	-	191
Prepayments and accrued capital contributions	324	308
	324	510

The amount due from the Football Foundation is unsecured, is not interest bearing and has no fixed repayment date.

8. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2015 £'000	2014 £'000
Loan to football league club	2,000	2,000

The loan represents an amount advanced to a Football League club in February 2005. The loan is interest bearing and guaranteed by the club as appropriate. The current interest charged is 0.5% above the Bank of England base rate. The loan and outstanding interest charges are repayable following the sale of the new stadium, Bootham Crescent. The sale is expected once the new stadium has been completed in 2016.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£'000	£'000
Grants payable	6,596	8,689
Trade creditors	4	-
Amounts owed to The Football Foundation	98	-
Capital contributions uncommitted (see note 10)	3,190	2,099
Accruals and deferred income	23	33
	9,911	10,821

10. BALANCE OF CAPITAL CONTRIBUTION

	The Football Association	The Premier League	Total
	£'000	£'000	£'000
At 1 June 2014	£'000	1,999	2,099
Funds receivable	100	5,200	5,200
New grants awarded	-	(4,351)	(4,451)
Grants withdrawn	(100)	785	785
Management charge (note 5)	-	(443)	(443)
At 31 May 2015	-	3,190	3,190

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 May 2015	31 May 2014
	£	£
Opening shareholders' funds / (deficit)	138	(3,441)
Contribution to reserves	-	3,533
Profit / (loss) for the financial year	46	46
Closing shareholders' deficit	184	138

12. PROFIT AND LOSS ACCOUNT

	2015	2014
	£'000	£'000
At 1 June	138	(3,441)
Contribution to reserves	-	3,533
Profit for the financial year	46	46
At 31 May	184	138

13. COMMITMENTS

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

14. RELATED PARTY TRANSACTIONS

Mr R C Scudamore is the Executive Chairman of The Premier League. The Premier League donated £5,200,000 (2014: £5,200,000) to FSIF during the year.

Mr P D G McCormick OBE is the Chairman of the Legal Advisory Group to The Premier League.

Mr J P B Hall was an employee of The Football Association.

Employees of FSIF have joint employment contracts with The Football Foundation.

15. ULTIMATE CONTROLLING PARTY

The ultimate controlling parties are The Football Association Limited and The Football Association Premier League Limited. Both companies are incorporated in England and Wales, with each holding 50 per cent control of FSIF respectively. The company is a company limited by guarantee. Copies of the financial statements of FSIF are available via The Football Foundation from Whittington House, 19-30 Alfred Place, London, WC1E 7EA.

