

**The National Football Museum**

**Annual report**

Registered company number - 3070670

Registered charity number - 1050792

Year ended 30 June 1999



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## Legal and administrative details

The National Football Museum is a company limited by guarantee, not having a share capital and governed by its memorandum and articles of association. The National Football Museum is a charity registered with the Charities Commission.

Charity registration number	1050792
Company registration number	3070670
Chairman	Mr BM Gray
Trustees	Mr D Fleming Mr CJ Newbery Mr BG Booth Mr K Cooper  Mr D Davies (non voting observer) Councillor R Kinsella (non voting observer) Councillor H Parker (non voting observer)
Company secretary	Mr C Higginson
Registered office	Deepdale Stadium PRESTON Lancashire PR1 6RU
Bankers	The Cooperative Bank plc, Manchester
Solicitors	Brabner Holden Banks Wilson, Preston
Auditors	KPMG, Preston

## Trustees' Report

The trustees, who act as directors for the purposes of company law, present their annual report and the audited financial statements for the year ended 30 June 1999.

### Principal activities

The objectives for which the Museum was established are to advance the education of the public in the history and development of Association Football and its antecedents.

### Business review

The key activities of the Museum during this period have been to develop the finest collection of football memorabilia in the world for the public benefit, and to raise the capital funding required for the construction and fit-out of the Museum. A pre-condition of the award of £7.5 million by the Heritage Lottery Fund (HLF) in November 1997 to the Museum was the purchase of the FIFA Museum Collection. An unforeseen delay in the acquisition of the FIFA Museum Collection meant that the project was initially unable to draw upon this award. However, in September 1998 the HLF Trustees agreed to release £100,000 of the award as development funding for the project, enabling the Museum to employ the architects and designers in advance of the resolution of the FIFA Museum Collection issue.

In April 1999 the purchase of the FIFA Museum Collection by the Museum was formally completed, by means of a grant of £580,000 from the total award made by the HLF. The Museum was now able to draw upon the remainder of the HLF award, and therefore able to proceed with the design and construction. The revised target date for the opening of the Museum is November 2000.

The collections of the Museum have developed significantly during this period, particularly with the purchases of the FIFA Museum Collection, a major collection of historic football books and the acquisition of the Football League Collection. In addition, over 750 items have been donated by members of the public.

The charitable company is not dependent on voluntary services other than the services of the trustees. The audit and accountancy services provided by KPMG have been made free of charge.

The Museum holds a number of exhibits which have been collected and donated from various sources. Due to the nature of these assets it is not possible to place a value on them and as such, no amount has been included in the financial statements.

### Results

The net outgoing resources for the year ended 30 June 1999 amounted to £171,574.

A deficit is shown at the end of the financial year.

There were no changes in accounting policies during the period.

### Trustees

The trustees who held office during the period were as follows:

BM Gray (Chairman)  
BG Booth  
K Cooper  
D Fleming  
C Newbery

BG Booth and D Fleming retire in accordance with the articles of association and, being eligible, offer themselves for re-election.

## Trustees' Report


### Guarantors

The liability of the members in the event of a winding up is limited to £1 each.

### Auditors

KPMG have indicated their willingness to continue in office and will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

By order of the trustees



**BM Gray**  
*Trustee*

19 April 2000

## **Statement of trustees' responsibilities**

Law applicable to incorporated charities in England and Wales requires the trustees who are also directors of the charitable company to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company at the end of the period and of its financial activities during the period then ended. In preparing those financial statements, the trustees are required to:

- *select suitable accounting policies and then apply them consistently;*
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Charities Act 1993 and the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.



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## Report of the auditors to the members of The National Football Museum

We have audited the financial statements on pages 6 to 13, which have been prepared under the accounting policies set out on page 8 to 9.

### *Respective responsibilities of trustees and auditors*

As described on page 4, the trustees, who are also the directors of The National Football Museum for the purpose of company law, are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### *Basis of 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 trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### *Opinion*

In our opinion, the financial statements give a true and fair view of the state of affairs of the charitable company as at 30 June 1999 and of its outgoing resources and application of resources, including its income and expenditure in the period then ended and have been properly prepared in accordance with the Charities Act 1993 and Companies Act 1985.

KPMG  
Chartered Accountants  
Registered Auditors

20 April 2000

## Statement of financial activities

for the year ended 30 June 1999

	Notes	Restricted funds 1999 £	Unrestricted funds 1999 £	Total funds 1999 £	Unrestricted funds 1998 £
<b>Incoming resources</b>					
SRB Funding Grant		-	133,864	133,864	92,000
Other grants and donations	10	815,626	67,254	882,880	84,216
Other income		-	20	20	111
<b>Total incoming resources</b>	1	815,626	201,138	1,016,764	176,327
<b>Resources expended</b>					
Direct charitable expenditure	2	812,153	299,140	1,111,293	45,320
Management and administration costs	3	2,800	74,245	77,045	85,528
<b>Total resources expended</b>		814,953	373,385	1,188,338	130,848
<b>Net incoming/(outgoing) resources for the year</b>		673	(172,247)	(171,574)	45,479
Total funds brought forward		-	41,934	41,934	(3,545)
<b>Total funds carried forward</b>		673	(130,313)	(129,640)	41,934

All amounts relate to continuing operations.

## Statement of total recognised gains and losses

for the year ended 30 June 1999

The charity has no recognised gains or losses other than the income and expenditure for both the current and prior year as shown above.



## Balance sheet

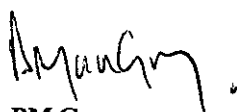
as at 30 June 1999

	Note	1999 £	£	1998 £	£
<b>Fixed assets</b>					
Tangible assets	7		108,364		1,771
<b>Current assets</b>					
Debtors	8	522,388		81,827	
Cash at bank and in hand		62,947		20,528	
		<u>585,335</u>		<u>102,355</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(823,339)</u>		<u>(62,192)</u>	
<b>Net current (liabilities)/assets</b>			<u>(238,004)</u>		<u>40,163</u>
<b>Net (liabilities)/assets</b>			<u>(129,640)</u>		<u>41,934</u>
<b>Income funds</b>					
Restricted funds	10		673		-
Unrestricted funds	11		(130,313)		41,934
			<u>(129,640)</u>		<u>41,934</u>

Approved by the Board of Trustees on

19 April

2000 and signed on its behalf by:



BM Gray  
Trustee

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charitable company's financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with the statement of recommended practice: "accounting by charities" and applicable accounting standards.

The charitable company is exempt from the requirement of Financial Reporting Standard No 1 to prepare a cash flow statement as it qualifies as a small company.

#### *Going concern*

The accounts have been prepared on a going concern basis which the Trustees believe to be appropriate for the following reason.

The financial statements have been prepared on a going concern basis as Preston North End plc has indicated it is willing to provide financial support to the charitable company until it is in a financial position to support itself.

Consequently, in view of these matters, the Trustees' opinion is that the charitable company will remain a going concern for the foreseeable future.

#### *Fixed assets and depreciation*

Depreciation is provided by the charitable company to write off the cost less the estimated residual value of tangible fixed assets in equal instalments over their estimated useful economic lives as follows:

Improvements to leasehold property	-	over the remaining life of lease
Plant and office equipment	-	3 years

#### *Income*

Income including grants and donations is credited to the statement of financial activities as it becomes due, gross of income tax where applicable. Restricted income relates to amounts which are received for a specific purpose and is matched to related expenditure in the Statement of Financial Activities.

#### *Expenditure*

Expenditure has been charged to the statement of financial activities on an accruals basis. Expenditure relating directly to the objects of the charitable company is allocated as direct charitable expenditure with central administration costs allocated to management and administration of the charitable company.

#### *Collection items*

Items purchased for the museum collection are not capitalised but are shown as an expense in the Statement of Financial Activities. Donated items are not included in the Statement of Financial Activities due to the nature of these items and the inherent difficulty in obtaining a valuation.

## Notes (continued)

### 1 Accounting policies (continued)

#### Pension costs

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company and are separately administered. The amounts charged to the statement of financial activities represent the contributions payable to the scheme in respect of the accounting year.

### 2 Direct charitable expenditure

Direct charitable expenditure may be analysed as follows:

	Restricted funds 1999 £	Unrestricted funds 1999 £	Total 1999 £	Unrestricted funds 1998 £
Collection item purchases	615,000	50,427	665,427	-
Museum design fees	197,153	58,197	255,350	-
Museum reservation charges	-	134,289	134,289	45,320
Loan interest	-	26,499	26,499	-
Legal and professional fees	-	22,661	22,661	-
Depreciation	-	3,100	3,100	-
Other expenses	-	3,967	3,967	-
	<u>812,153</u>	<u>299,140</u>	<u>1,111,293</u>	<u>45,320</u>

### 3 Management and administration of the charitable company

Management and administration costs consist of:

	Restricted funds 1999 £	Unrestricted funds 1999 £	Total 1999 £	Unrestricted funds 1998 £
Salaries and office costs	450	57,789	58,239	69,115
Legal and professional fees	2,350	5,052	7,402	1,217
Postage, stationery and advertising	-	3,112	3,112	7,875
Rent payable	-	2,825	2,825	-
Exhibition and marketing	-	1,685	1,685	6,113
Leasing costs	-	1,420	1,420	-
Depreciation	-	694	694	104
Other expenses	-	1,668	1,668	1,104
	<u>2,800</u>	<u>74,245</u>	<u>77,045</u>	<u>85,528</u>

Salaries and office costs include an element of fund raising costs incurred during the year.

## Notes (continued)

### 4 Staff numbers and costs

The trustees received no remuneration from the charitable company, other than sundry expenses of £188 (1998: £182).

The average number of employees excluding trustees during the year, analysed by function was as follows:

	1999	1998
	£	£
Management and administration	2	2
	<u>2</u>	<u>2</u>

The total wages and salaries costs for the charitable company were as follows:

	1999	1998
	£	£
Wages and salaries	45,654	45,652
Social security costs	3,760	3,761
Other pension costs	3,476	2,985
	<u>52,890</u>	<u>52,398</u>

### 5 Pension schemes

The charitable company has established a defined contribution pension scheme for its employees. The assets of the pension scheme are held separately from those of the charitable company in an independently administered fund. Pension contributions paid by the charitable company to the scheme during the year amounted to £3,476 (1998: £2,985).

### 6 Tax on profit on ordinary activities

The charitable company has no liability to corporation tax during the period.

## Notes (continued)

### 7 Tangible fixed assets

#### *Assets held for the charitable company's use*

	Improvements to leasehold property	Plant and office equipment	Total
	£	£	£
<b>Cost</b>			
At beginning of year	-	1,875	1,875
Additions	108,236	2,151	110,387
At end of year	108,236	4,026	112,262
<b>Depreciation</b>			
At beginning of year	-	104	104
Charge for year	3,100	694	3,794
At end of year	3,100	798	3,898
<b>Net book value</b>			
At 30 June 1999	105,136	3,228	108,364
At 30 June 1998	-	1,771	1,771

During the year the charitable company acquired collection items from a third party at a cost of £600,427. A further payment of approximately £400,000 may be made to the third party, and if it were to become payable it would only be on the basis that the charitable company was able to raise additional funds specifically for this purpose. As a result no liability has been reflected in the accounts.

The Museum holds a number of exhibits which have been collected and donated from various sources. Due to the nature of these assets it is not possible to place a value on them and as such, no amount has been included in the financial statements.

### 8 Debtors

	1999 £	1998 £
Grants and donations outstanding	153,180	62,037
Tax recoverable on donations	672	19,790
Taxation and social security	18,536	-
Other debtors	350,000	-
	522,388	81,827

## Notes (continued)

### 9 Creditors: amounts falling due within one year

	1999 £	1998 £
Other loans	531,623	47,335
Trade creditors	264,068	-
Accruals	27,648	14,857
	<u>823,339</u>	<u>62,192</u>

### 10 Restricted funds

	As at 1 July 1998 £	Received in year £	Expenses in year £	As at 30 June 1999 £
HLF Grant	-	199,503	(199,503)	-
HLF Grant re FIFA collection	-	580,000	(580,000)	-
FIFA Grant	-	35,000	(35,000)	-
Millennium Award Grant	-	450	(450)	-
Sculpture donations	-	673	-	673
	<u>-</u>	<u>815,626</u>	<u>814,953</u>	<u>673</u>

The sculpture fund relates to amounts collected towards the future construction of the "Sir Tom Finney Splash" sculpture.

### 11 Unrestricted funds

	1999 £
As at 1 July 1998	41,934
Movement in resources	(172,247)
As at 30 June 1999	<u>(130,313)</u>

## Notes (continued)

### 12 Analysis of net liabilities between funds

	Unrestricted funds	Restricted funds	Total funds 1999
	£	£	£
<i>Fund balances at 30 June 1999 represented by:</i>			
Tangible fixed assets	108,364	-	108,364
Current assets	584,662	673	585,335
Current liabilities	(823,339)	-	(823,339)
	<u>(130,313)</u>	<u>673</u>	<u>(129,640)</u>

There are sufficient assets held to cover the restricted funds. Unrestricted funds are in deficit, however the trustees consider the position to be sufficient as shown in note one to the accounts.

### 13 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	1999 £	1998 £
Operating leases - expiring within 2 - 5 years	1,040	-
Leasehold premises - expiring after 5 years	130,000	-

### 14 Share capital

The charitable company is limited by guarantee and as such has no share capital. In the event of the charitable company being wound up, the liability of each member is limited to £1.

### 15 Related party transactions

BM Gray, the Chairman of the charitable company is also a director of Preston North End plc.

During the year, expenditure has been accrued of £136,000 (1998: £45,000) for the reservation of elements of the Sir Tom Finney and Bill Shankly stands. At the year end £181,000 is owed to Preston North End plc in respect of this reservation charge.

At the year end Preston North End plc is owed an amount of £350,000 towards the construction costs of the Bill Shankly stand.