

Company No: 3070670

THE NATIONAL FOOTBALL MUSEUM

**TRUSTEES' REPORT AND
CONSOLIDATED ACCOUNTS**

FOR THE YEAR ENDED

30 JUNE 2009

Charity Number 1050792



THE NATIONAL FOOTBALL MUSEUM

ACCOUNTS

YEAR ENDED 30 JUNE 2009

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THE NATIONAL FOOTBALL MUSEUM

COMPANY INFORMATION

Chairman	Mr P Dermody
Trustees	Mr F Ali Mr S Barker Ms M Digby Mr K Ellaid Mr J Farquharson Mr A McNee Mr C Memmott Sir Howard Newby Mr I Penrose Ms M Stevenson Mr G Thompson Councillor William Tyson
Secretary	Mr D Martland
Registered office	Sir Tom Finney Way Preston Lancashire PR1 6PA
Company number	3070670
Charity number	1050792
Auditor	Moore and Smalley LLP Chartered Accountants & Registered Auditor Richard House Winckley Square Preston PR1 3HP
Bankers	HSBC Bank Plc 49a Fishergate Preston PR1 8BQ
Solicitors	Brabners Chaffe Street 7-8 Chapel Street Preston PR1 8AN

THE NATIONAL FOOTBALL MUSEUM

TRUSTEES ANNUAL REPORT

YEAR ENDED 30 JUNE 2009

The Trustees, who are also Directors for the purpose of the Companies Act, have pleasure in presenting their report and the accounts of the charity for the year ended 30 June 2009

Legal status

The Museum is a charitable company limited by guarantee with registered charity number 1050792 and company number 3070670. Not having a share capital, the Museum is governed by its Memorandum and Articles of Association dated 31 October 1996.

Objectives and activities of the Museum

The objectives and activities of the Museum are summarised by the following mission statement

Why does the Museum exist?

The National Football Museum exists to explain how and why football has become ‘the people’s game’, a key part of England’s heritage and way of life. It also aims to explain why England is the home of football, the birthplace of the world’s most popular sport.

Who is the Museum for?

The Museum is for everyone, football fans and non-fans alike. People without a keen interest in football will enjoy finding out why so many people are so passionate about the game.

How does the Museum achieve its goals?

The Museum seeks to achieve these by undertaking the following seven key aims:

Developing the finest and most significant collection of objects and associated evidence connected with the development of football around the world

Protecting this important part of our cultural heritage for the benefit of all, both now and in the future

Researching the collection to explain how and why football has become the most popular sport in the world

Interpreting the collection in an entertaining and informative way, primarily through exhibitions, events and publications

Providing a range of educational opportunities based on the collection, for learners of all ages and levels of attainment

Satisfying customers with a level of visitor care which exceeds their expectations

Managing our resources effectively and creatively, to be innovative and to continue to improve the services we offer

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Objectives and activities of the Museum (continued)

A National and International Museum

The National Football Museum serves the public regionally, nationally and internationally. As well as attracting over 750,000 people to the exhibitions in Preston to date, the Museum has reached an additional audience of over two million people, through holding or contributing to over fifty exhibitions elsewhere in the UK and over twenty overseas. In the UK this has included the Museum's highly successful touring exhibition, *Saved for the Nation: The Story of the FA Cup*, which has as its centrepiece the oldest surviving FA Cup trophy, which was used from 1896 to 1910, and is on loan to the Museum from Mr David Gold. Overseas exhibitions have included displays in France, Belgium, Germany, Portugal, Switzerland, Japan, Hong Kong, Austria, Turkey and Brazil.

The National Football Museum has advised many current and planned football club museums in England, and a number of club museums overseas. We have also advised the projects to establish national football museums in Spain, the Netherlands, Germany, Brazil, Japan, Korea and Uruguay, which are supported by the football associations in each country. In addition, we have advised and worked in partnership with the Scottish Football Museum and the Welsh Football Collection, which is held by Wrexham County Borough Museum. The Museum will continue to work closely with the football club museums in England, such as those at Liverpool, Manchester United and Manchester City.

Benefit to the Public

Through its objectives and activities the Museum provides a wide range of benefits to the general public. By developing the finest and most significant collection of objects and associated evidence connected with the development of football around the world, the Museum creates a unique resource, of benefit not just to all in society today, but also for future generations. In protecting this important part of our cultural heritage for the benefit of all, both now and in the future, the Museum provides a unique and long-lasting public benefit. By researching the collection to explain how and why football has become the most popular sport in the world, the Museum makes an important contribution to human knowledge. In interpreting the collection in an entertaining and informative way, primarily through exhibitions, events and publications, the Museum contributes to the public understanding, appreciation and enjoyment of the game of football, its history, and its role in society. In providing a range of educational opportunities based on the collection, for learners of all ages and levels of attainment, the Museum makes a powerful contribution to education and social inclusion. By satisfying customers with a level of visitor care which exceeds their expectations, the Museum provides an outstanding experience for over 100,000 visitors each year. By managing our resources effectively and creatively, to be innovative and to continue to improve the services we offer, the Museum provides outstanding value for money for the public and private investment which is made each year in the Museum.

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Organisation/management of the Museum

The Trustees meet three times per year. Reports from the Museum Director and the Finance Director are submitted to, and discussed at, each of these meetings. New Trustees can be appointed by ordinary resolution at these meetings. Trustees are appointed for a period of three years. Trustees can be reappointed.

The Trustees of the Museum are selected according to their skills and knowledge in order to aid the management of the Museum.

The current Trustees are detailed on page 1. The Trustees who served during the year are set out below.

Name	Date of Appointment	Date of Retirement
Ms C Long	17 September 2002	6 November 2009
Ms M Stevenson	1 November 2003	6 November 2010
Mr P Dermody	1 July 2004	16 November 2010
Mr S Barker	2 July 2009	2 November 2011
Mr A McNee	20 July 2005	7 November 2011
Ms M Digby	20 July 2005	7 November 2011
Mr I Farquharson	7 November 2005	7 November 2011
Mr K Ellard	6 March 2006	6 November 2009
Mr S Johnson	6 November 2006	6 November 2009
Mr F Ali	26 March 2007	16 November 2010
Mr W Tyson	9 July 2007	16 November 2010
Lord Faulkner	9 July 2007	16 November 2010
Mr C Memmott	16 November 2007	16 November 2010
Mr I Penrose	16 November 2007	16 November 2010
Mr G Thompson	16 November 2007	16 November 2010
Sir Howard Newby	14 July 2008	7 November 2011

Mr S Johnson resigned as a trustee on 30 July 2008.

Lord Faulkner of Worcester resigned as a trustee on 11 June 2009.

Ms C Long resigned as a trustee on 4 July 2009.

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Business review

Introduction

This has been a very important year in the development of the National Football Museum (NFM). On 18 November 2009 the Trustees of the National Football Museum resolved in principle to enter into a partnership with Manchester City Council. This partnership will guarantee the long term future of this national museum in the North West and an exciting new public face of the Museum will open in the Urbis building in Manchester in 2011. The Museum will be a major new visitor attraction for the City of Manchester and this will open up the collection to a much wider audience.

While an exciting new National Football Museum will be developed at Urbis, there is an opportunity to continue to maintain the publicly accessible museum at Preston. The current exhibitions could remain open to the public until Preston Guild in 2012 and beyond, if funding was secured from other sources.

The Museum will in addition retain its research partnership with the University of Central Lancashire (UCLAN), the International Football Institute (IFI), which means that Preston will remain a major centre for football research, attracting visiting academics and other researchers from around the world.

Revenue support from the Department for Culture, Media and Sport (DCMS) has enabled the Museum to continue to offer free access to all visitors. Funding support from the North West Development Agency was also vital to the ongoing operation and development of the Museum. In the year to 30 June 2009, the Museum again attracted over 100,000 visitors.

Key Achievements

Key achievements in the period from 1 July 2008 to 31 December 2009 included

- 1. Continuing to develop the *world's* finest collection of football artefacts, including the FIFA Collection.**
- 2. Making an important contribution to football research through the International Football Institute (IFI).**
- 3. Holding major exhibitions in Preston and holding or contributing to exhibitions at many other venues across the country and overseas.**
- 5. Continuing to develop a range of ground-breaking social inclusion and education initiatives, to use interest in football to stimulate a desire to learn and to develop social cohesion.**
- 6. Being awarded the Lever Prize for 2009 by the North West Business Leadership Team**
- 7. Achieving all of the above with the lowest revenue grant of any DCMS-sponsored museum (£102,700 p.a.) and a staffing complement of just 18 full-time equivalent staff.**

THE NATIONAL FOOTBALL MUSEUM

TRUSTEES ANNUAL REPORT

YEAR ENDED 30 JUNE 2009

Business review (continued)

Funding Support

The Museum is grateful for the financial support received during the year from DCMS, the Northwest Regional Development Agency and a number of other organisations, including Arts and Business, the Arts Council, Business Link Northwest, the Football Foundation, Foundation for Sport and the Arts, Heritage Lottery Fund (HLF), Lancashire County Council, the Museums Libraries and Archives Council (MLA), North West Business Leadership Team, Preston City Council, and the Professional Footballers' Association (PFA). The Museum would also like to thank the following companies and organisations for their support: Bonhams, Brabners Chaffe Street LLP, Conlon Construction Ltd, DTech IT, the Premier League, Preston North End FC, Preston North End Former Players' Association, Sportech plc.

The Museum would like to extend particular thanks to Mr David Gold for his support for the Museum's exhibition dedicated to Sir Tom Finney, *Local Hero Football Legend*.

The Museum continued to benefit greatly from the contributions of a team of highly skilled and committed volunteers, of all ages and backgrounds.

The World's Finest Football Collections

The National Football Museum has continued to develop, preserve and document the world's finest collections relating to the history of football. At any time, around 2,000 items from the Museum's collections are on display, with a further 30,000 items held behind the scenes. Each day brings the offer of new artefacts for the Museum's collections. The Museum continues to collect historical items, and also collects material relating to football today, for the benefit of future generations.

Thanks to funding from Sportech Plc, which owns The New Football Pools, the Museum is cataloguing and conserving the *Kicking and Screaming* archive, the most important film archive on the history of English football. The *Kicking and Screaming* archive is a unique collection of over 200 hours of interviews that was the basis for the 1995 BBC television series of the same name. The project will see the VHS tapes transferred into a digital format and a database will be compiled to enhance research access and use in future exhibitions.

Accreditation

The Museum has achieved Full Accreditation Status under the Museums, Libraries & Archives (MLA) Council scheme. The standards required for the scheme are higher than ever before and there are some additional requirements for national museums, so this is an outstanding achievement.

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TRUSTEES ANNUAL REPORT

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Business review (continued)

Research

The International Football Institute (IFI), the Museum's research partnership with the University of Central Lancashire, has continued to make excellent progress. Based at the Museum and the University, IFI undertakes research on all aspects of football and makes this research available to the widest possible audience. IFI has produced over fifty publications to date. The Museum also has strong research links with a number of other universities.

Exhibitions

During the year the exhibitions at the Museum were regularly changed and developed through the introduction of new artefacts. In addition, the Museum created two major temporary exhibitions, to public and media acclaim, namely *Jumpers for Goalposts* and *Local Hero, Football Legend Sir Tom Finney*, and held a full programme of associated events. The Museum's highly successful touring exhibition, *Saved For the Nation: The Story of the FA Cup*, continued its nationwide tour, at Bolton Museum and Art Gallery, Leeds City Museum and the Houses of Parliament. To accompany the exhibition in Parliament, the Museum held a highly successful reception, which was sponsored by the Northwest Regional Development Agency.

The National Football Museum was delighted to once more work in partnership with UEFA, this time to produce the European football exhibition, *Only a Game?* in Liverpool, as a contribution to the city's European Capital of Culture celebrations. NFM was the catalyst for the display in Liverpool. UEFA wished to build on the success of the *Only a Game?* exhibition, which it had created in Brussels in 2007, in partnership with NFM, by taking a revised, updated version of the display to another European city in 2008. NFM convinced UEFA that Liverpool should be the city, secured the gallery for the exhibition from National Museums Liverpool, and secured the additional funding required from the Northwest Regional Development Agency. The exhibition was opened by UEFA Senior Vice President Senes Erzik at World Museum Liverpool in October, 2008. Media and public reaction to the exhibition was highly positive.

Overseas Links

The Museum advised, contributed to and loaned items to the major football exhibition in Vienna during the UEFA Euro 2008 Tournament.

The Prime Minister the Rt Hon Gordon Brown MP and Brazil President Luiz Inácio Lula da Silva announced a partnership between the National Football Museum and the Brazilian National Football Museum in Sao Paulo, as part of a wider initiative of co-operation between the two great footballing nations. During his trip to Brazil for economic talks in March 2009, the Prime Minister visited the country's new National Football Museum in Sao Paulo and announced that the National Football Museum in Preston had committed to work with Brazil's to help celebrate the history of the game throughout the world.

In July 2008, Kevin Moore, Museum Director, National Football Museum, was guest of honour at the opening of the Feyenoord football club museum. The Museum has provided advice to Feyenoord football club on the development of a museum of the history of this famous Dutch club. This demonstrates how the National Football Museum is viewed as a model of good practice in the development of football museums around the world.

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Business review (continued)

National Football Museum Hall of Fame

In September 2008 for the first time the National Football Museum Hall of Fame event was held in London. A host of great names from football, past and present, attended. A message of support was received from the Prime Minister, Rt Hon Gordon Brown MP. "I wanted to send my congratulations to all of this year's inductees into the National Football Museum Hall of Fame. Set up to celebrate the greatest players and managers of all time, it is a fitting tribute to the true giants of English football. The greatest thing about the Hall of Fame is that it recognises the huge breadth of talent in the English game. Football is in our blood, a way of life and a big part of our national culture. The members of the Hall of Fame are an inspiration to young people the length and breadth of the country."

In collaboration with UEFA, the Professional Footballers Association and the Northwest Regional Development Agency, the National Football Museum celebrated European football history with an exciting Hall of Fame evening at ACC Liverpool in October 2008. Forming part of Liverpool European Capital of Culture, the event coincided with the launch of the major exhibition on European football, *Only a Game?* at the World Museum Liverpool, in which the Museum was a key partner. Secretary of State for Culture, Media and Sport, the Rt Hon Andy Burnham MP presented an award. For the first time since its inception in 2002, the National Football Museum Hall of Fame presented an award to a footballer from outside the English game, with an all-time great European player award to Michel Platini. UEFA president Michel Platini said "I am a great admirer of the English game. This is a wonderful honour."

In 2009 the Museum again successfully held two Hall of Fame events, in London and Manchester. For the first time the Hall of Fame gained substantial national exposure on television, through a dedicated 30 minute programme on Sky Sports. The Hall of Fame is now firmly established as one of the leading occasions in the football calendar.

Publications

Such has been the success of the Museum's book on its Hall of Fame, *The Football Hall of Fame*, that a second edition has been published. Written by renowned football historian, Robert Galvin, with forewords by Museum President, Sir Bobby Charlton and PFA Chief Executive, Gordon Taylor, the book is published by Anova Books.

The National Football Museum has also worked with author Keir Radnedge and Carlton Books to publish a new edition of its exciting celebration of World Cup history, *Treasures of the World Cup*, in time for the FIFA World Cup 2010 in South Africa.

THE NATIONAL FOOTBALL MUSEUM

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Business review (continued)

Education and Social Inclusion

The National Football Museum is breaking new ground in bringing new audiences to museums, and ensuring that access is provided to *all* in society. The National Football Museum offers a wide range of education and outreach services for learners all ages and levels of attainment, both regionally and nationally. The Museum has continued to target disadvantaged youngsters through its social inclusion projects. Highlights have included the *Streetspeak* project and the *Football for All* initiative.

The *Streetspeak* project is funded by the Football Foundation and the Arts Council as part of the National Football Museum's Poetry in Motion initiative, which uses poetry to improve the literacy skills of young people, particularly those from disadvantaged backgrounds. *Streetspeak* is a three-year project (2008-11), in which participants are involved in a programme of performance poetry workshops producing new pieces of poetry with a football theme. It will culminate in the creation of on-line learning resources, a film and an exhibition at the National Football Museum and a performance of newly commissioned work by poets and community participants. 800 young people will be included in the project. The exhibition, learning resources and film will reach an audience of 100,000 people.

The National Football Museum, in partnership with Chelsea FC, Queens Park Rangers FC and the University of Central Lancashire (UCLAN) sponsored and hosted the fourth annual *Football For All* festival this year. This is now the biggest disability football tournament in the country for young people, involving over 600 players from over 30 colleges nationwide.

The Museum was also a partner in a project entitled *Crossing the White Line*, on the life of Walter Tull, the second black football player in the top division of English football and the first black officer in the British Army. The project was led by the City of Westminster Archives and supported by Kick it Out and the Heritage Lottery Fund. As well as educational activities and materials, it included a touring exhibition, which was displayed at the National Football Museum, the National Army Museum, the Scottish Football Museum and a number of other venues.

The Lever Prize 2009

The National Football Museum was awarded the prestigious Lever Prize for 2009. The Museum became the fourth cultural organisation to receive the accolade. The prize, launched four years ago, aims to revive the philanthropic traditions of the industrial past, embodied by soap magnate and patron of the arts Lord Lever. The Lever Prize is judged by the North West Business Leadership Team, which comprises 28 of the region's largest companies, in partnership with Arts and Business North West. Cultural buildings, events, festivals, libraries, archives and museums are all eligible not only for the £20,000 cash prize but for a year long collaboration with the region's top business leaders. The Museum has developed a number of exciting partnerships with NWBLT member companies which will be built on in the future.

THE NATIONAL FOOTBALL MUSEUM

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Business review (continued)

Sports Heritage Network (SHN) and *Our Sporting Life*

The National Football Museum was a founder member of the Sports Heritage Network (SHN), the organization for the UK's sports museums and heritage organizations, which is chaired by the National Football Museum's Director Kevin Moore. SHN is a partnership of all the major UK sports museums, and is recognised by the Museum Libraries and Archives Council (MLA) as a Specialist Subject Network (SSN).

SHN has developed *Our Sporting Life*, a four-year celebration and exploration of the UK's unique sporting heritage, in the build up to the London 2012 Olympics and Paralympics, involving thousands of people across the country in gathering memories and artefacts, and organising exhibitions and events. In September 2008 *Our Sporting Life* was awarded the Inspire mark by LOCOG. *Our Sporting Life* will culminate in the greatest ever exhibition of British sporting history in London in 2012.

Value for Money

The National Football Museum continues to be an extremely cost-effective museum, in terms of the number of visitors attracted in proportion to the revenue funding received.

In 2008/09 the revenue subsidy per visitor for the funding received from DCMS was £1. If the revenue funding from other sources is included, the subsidy per visitor was £4. This compares with a target figure set by the Audit Commission for local authority museums in 1991 of £5 per visit.

Funding Issues

Between 1 July 2003 and 30 June 2009 the National Football Museum operated on a revenue budget of around £750,000 p.a., with core revenue funding of £100,000 p.a. from the Department for Culture, Media and Sport (DCMS) and £300,000 p.a. from the Football Foundation. Each year the Museum raised at least a further £300,000 through a range of commercial activities. The grants from DCMS and the Football Foundation did not increase between 1 April 2003 and 31 March 2008. As a result the Museum had to make year-on-year cuts in services and therefore its success was not sustainable.

The Football Foundation informed the Museum that funding could not be renewed and would cease on 31 March 2009. The Museum therefore needed to find an alternative source of substantial revenue funding. The Museum's Strategic Plan approved by Trustees in July 2008 identified that the Museum required revenue funding totalling £960,000 in 2008-09. This increased funding was essential in order to:

- Restore the budget cuts that had to be made year on year, as the Museum's revenue grants have not increased with inflation since 1st April 2003
- Fill 11 key posts which as a result had remained unfilled
- To achieve an expansion of the Museum's services to serve a wider audience across the country

THE NATIONAL FOOTBALL MUSEUM

TRUSTEES ANNUAL REPORT

YEAR ENDED 30 JUNE 2009

Business review (continued)

Funding Issues (continued)

The revenue funding pledged for 2008/09 was £102k from DCMS, a final contribution of £154k from the Football Foundation and £25k from Lancashire County Council and Preston City Council respectively, giving a total of £306k

The Museum, working in partnership with DCMS, sought to bridge the shortfall and secure the ongoing revenue support required from the major national football bodies, but this unfortunately could not be secured

Following a meeting chaired by Gerry Sutcliffe, Minister for Sport, at the Department for Culture, Media and Sport (DCMS) on 11 November 2008, the Northwest Regional Development Agency (NWDA) agreed to fund a study by KPMG to explore how the future of the Museum could be secured in the North West. NWDA also pledged funding support to the Museum so that it could continue to operate, while a long-term solution to its funding needs was found.

The KPMG study considered whether a Museum at Wembley could subsidise NFM. It became clear that this could not in the short or indeed medium term. KPMG explored a number of options and identified an attractive partnership opportunity with Manchester City Council (MCC). NFM and MCC subsequently developed the vision for this partnership. This would see the creation of a new public face of NFM in Manchester, while maintaining many of NFM's functions at the current location in Preston. NFM would continue to occupy its site in Preston, with the collections storage and research facilities remaining fully operational. MCC was happy for the public galleries to remain open in Preston, provided that this was funded by another source.

As a result the Museum began to work in partnership with Manchester City Council, as this represented both an attractive future for NFM, and also the only option to secure its future. Subsequently a funding proposal was submitted by Lancashire County Council, in partnership with Preston City Council and the University of Central Lancashire (UCLAN) – the 'Lancashire consortium'. As there were now to be two proposals regarding the future of the Museum, NFM decided to commission an independent report, undertaken by PKF (UK) LLP, to evaluate these. This was to guide NFM's trustees, who would now have to decide which of the two proposals was in the best long-term interests of the Museum.

On 18 November 2009 NFM's trustees considered the proposals put forward by Manchester City Council and the Lancashire consortium, as evaluated in the independent report produced by PKF. Trustees approved the partnership with Manchester City Council in principle, subject to receiving assurances on certain potential liabilities.

The Board of Trustees resolved as follows: 'The trustees resolved in principle to establish the National Football Museum at Urbis in Manchester, subject to receiving assurances on certain potential liabilities. In the meantime we re-affirm our desire to maintain the publicly accessible museum at Preston and will enter into further discussions with the Lancashire County Council Consortium to achieve this aim.'

This resolution was unopposed. The assurances relating to potential liabilities have now been received.

THE NATIONAL FOOTBALL MUSEUM

TRUSTEES ANNUAL REPORT

YEAR ENDED 30 JUNE 2009

Business review (continued)

Funding Issues (continued)

The revenue funding offer from Manchester City Council is to fund a deficit estimated at £2 million p a for a minimum ten-year period, including a provision of £200,000 for exhibitions renewal, with Manchester City Council also undertaking to separately fund the maintenance of the Urbis building. The revenue offer therefore not only meets NFM's needs identified in its Strategic Plan but significantly surpasses this. Manchester City Council has also underwritten the £8 million capital funding required to create the National Football Museum at Urbis.

There will be no change to the governance of NFM. MCC have only requested that it has representation among the trustees, but this would extend to nomination rights for two or three trustees (not a majority), based on an assumption of 10 to 15 trustees in total.

Museum Staff

The Trustees would like to extend their grateful thanks to the staff of the National Football Museum for their continued excellent performance during the past year, which has been a period of significant uncertainty for the Museum. The staff have been highly professional and fully focused on public service at all times. The Trustees would like to thank in particular Kevin Moore, Museum Director, and David Pearson, General Manager, for their vital contributions during what have been testing times for the organisation.

Future Plans

The partnership with Manchester City Council guarantees the long term future of the National Football Museum in the North West and an exciting new public face of the Museum will open in the Urbis building in Manchester in 2011. This will be a major new visitor attraction for the City of Manchester and the region and will open up the collection to a much wider audience.

While a state of the art new National Football Museum will be developed at Urbis, there is an opportunity to continue to maintain and enhance the Museum at Preston. The current exhibitions could remain open to the public until Preston Guild in 2012 and beyond, if funding was secured from other sources. However, if funding is not secured, then NFM's public exhibition galleries in Preston will have to close. Currently the Museum has secured funding to maintain access to the public galleries until 30 April 2010. Manchester City Council has agreed to meet all the revenue costs of the Museum, including those of the Preston site, from the point at which the public galleries have closed.

If the public galleries were to close at Preston, NFM will be continuing to operate from the Preston site, including all collections storage, conservation and documentation functions. Access to the collections in storage will continue to be provided on request to researchers and members of the public. Preston will remain a major centre for football research, attracting visiting academics and other researchers from around the world. The Museum will in addition retain its research partnership with UCLAN, the International Football Institute (IFI).

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Future plans (continued)

The National Football Museum is now at the beginning of a very exciting period of development, which will lead to the opening of the National Football Museum at Urbis in 2011. This will bring the Museum's collections to a much greater audience, estimated as at least 350,000 visitors p a. The Museum will also have the revenue required to not only successfully operate the new displays at Urbis, but also to develop its other services to the public.

The Museum will build on the success achieved to date, further developing the world's greatest football collection, and take the collection to an even wider audience across the country. NFM will also expand and develop its groundbreaking education and social inclusion programmes, which use the power of football to reach and help all our communities. To achieve this, the Museum will also build on the partnerships developed with member companies of the North West Business Leadership Team (NWBLT), begun through being awarded the Lever Prize in 2009.

The Museum is also now in a strong position to contribute to the celebration of the Olympic and Paralympic Games in 2012 and the potential FIFA World Cup in England in 2018. The Museum will also continue to develop its international profile, through its long-standing highly successful partnership working with FIFA and UEFA.

Financial Review

General

The financial statements for the Museum for the year ended 30th June 2009 highlight a number of issues which were first identified in last year's statements. Whilst the Museum manages its financial affairs very efficiently, it was clear that following the decision of the Football Foundation to cease its revenue funding to the Museum (from the Football Stadium Improvement Fund), an alternative source or sources urgently needed to be found. The Museum was able to continue to operate beyond 1 July 2009 thanks to the support of the Northwest Regional Development Agency, whilst a longer term solution to the Museum's revenue funding needs was found. The decision of the Trustees to enter into a partnership with Manchester City Council has now provided the long term financial security which the Museum requires.

Throughout this time the Museum continues to be the most efficient operator across all national museums and the quality of provision and financial stability have remained the primary focus.

Detailed analysis

Total income generated within the year was £926k. Of this £102k was provided by DCMS and £154k as a final contribution by the Football Foundation. The Football Foundation and the Arts Council contributed a further £39k but this was restricted income, grant funding for the Museum's education and social inclusion project called *Streetspeak*. Lancashire County Council and Preston City Council provided funding of £25k each.

Following the decision of the Football Foundation to cease its funding, the Northwest Regional Development Agency provided funding of £150k. This was to enable the Museum to continue to operate, while a long-term solution to its funding needs was found.

THE NATIONAL FOOTBALL MUSEUM

TRUSTEES ANNUAL REPORT

YEAR ENDED 30 JUNE 2009

Financial review (continued)

Detailed analysis (continued)

The Museum generated £299k from a range of commercial activities. The Museum raised a further £40k through unrestricted grants and donations. A further £128k was raised in restricted funding for specific projects. The Museum has therefore continued to be very effective, in terms of generating a very high proportion of its income from commercial and fundraising activities - over 50 per cent - totalling £467k. However, in real terms the level of income to the Museum is falling, at a time when there are increasing pressures on costs as a result of the economic climate. Therefore the Trustees and the management have monitored the financial position on a monthly basis.

As a result of the continued financial stringencies, the Museum has continued to operate with 11 fte equivalent posts unfilled and frozen, and the staffing complement employed was down from 19 fte in 2007-08 to 18 fte in 2008-09. Payroll costs were down from £427k in 2007-08 to £403k in 2008-09.

Funding issues and financial management

The Museum has continued to manage its financial affairs very effectively. However, the long term viability of the museum rests not on the strength of its management (which will remain effective) but on securing funding not only to replace that withdrawn by the Football Foundation but that identified as required in the Museum's Strategic Plan. The partnership the Museum has entered into with Manchester City Council will allow the Museum to achieve this. The future of the Museum, as a major national museum in the North West, has been secured.

Going Concern

The trustees are aware of their responsibilities to assess whether there are significant doubts about the Museum's ability to trade as a going concern. As reported last year, the Trustees have been seeking the required funding to enable the Museum to continue operating and, as noted above, the trustees have resolved to enter into partnership with Manchester City Council to guarantee the future of the National Football Museum within the North West.

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Subsidiary company

The Museum owns the whole of the issued share capital of The National Football Museum (Trading) Limited, a company registered in England and Wales. The subsidiary undertakes a number of commercial activities for the Museum. They include retail, catering, corporate hospitality, commercial sponsorship, image rights and licensing and publication royalties.

The results for the subsidiary for the year ended 30 June 2009 are summarised in note 17 to the accounts. All activities of the Museum and its subsidiary have been consolidated on a line by line basis in the SOFA.

Heritage assets

The Museum holds eleven distinct collections of major historical significance. Details of the individual collections are included within note 9 to the accounts.

Reserves policy

The Museum has a number of restricted funds, the majority of which relate to specific capital expenditure and collections. The purpose of these funds is detailed in note 15 in the financial statements and summarises the year's movements on each fund.

The Museum is striving to achieve general reserves equivalent to at least three months running costs in order to effectively manage unforeseen circumstances.

Risk management

The Museum has a detailed Risk Management Strategy and Risk Register, which is reviewed regularly, at least on an annual basis.

THE NATIONAL FOOTBALL MUSEUM

TRUSTEES ANNUAL REPORT

YEAR ENDED 30 JUNE 2009

Responsibilities of the trustees

The trustees (who are also the directors of the National Football Museum for the purposes of company law) are responsible for preparing the Trustees Annual Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these accounts, the trustees are required to

select suitable accounting policies and then apply them consistently,

observe the methods and principles in the Charities SORP,

make judgements and 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 accounts,

prepare the accounts 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

In so far as the trustees are aware

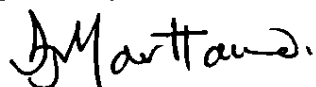
there is no relevant audit information of which the charitable company's auditor is unaware, and

the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Auditor

Moore and Smalley LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

This report was approved by the board on 10-02-2010 and signed on its behalf



Mr D Martland – Secretary

Sir Tom Finney Way
Preston
Lancashire
PR1 6PA

THE NATIONAL FOOTBALL MUSEUM

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NATIONAL FOOTBALL MUSEUM

YEAR ENDED 30 JUNE 2009

We have audited the group and charitable company accounts of The National Football Museum for the year ended 30 June 2009 on pages 19 to 39, which have been prepared on the basis of the accounting policies set out on pages 23 to 25

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who also act as directors of The National Football Museum for the purposes of company law) for preparing the Trustees Annual Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the accounts give a true and fair view are set out in the Statement of Responsibilities of the Trustees on page 16.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees Annual Report is consistent with those accounts.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's accounts are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

THE NATIONAL FOOTBALL MUSEUM

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NATIONAL FOOTBALL MUSEUM

YEAR ENDED 30 JUNE 2009

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charity'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 accounts 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 accounts.

Opinion

In our opinion

- the accounts give a true and fair view of the state of the group and the charity's affairs as at 30 June 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the accounts have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the accounts have been prepared in accordance with the Companies Act 2006, and
- the information given in the Trustees Annual Report is consistent with the accounts

Moore and Smalley LLP

Christine Wilson (Senior Statutory Auditor)
For and on behalf of
Moore and Smalley LLP
Chartered Accountants & Statutory Auditor

Richard House
Winckley Square
Preston
PR1 3HP

19/07/2010

THE NATIONAL FOOTBALL MUSEUM

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 JUNE 2009

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2009 £	Total Funds 2008 £
Incoming resources					
Incoming resources from generated funds					
Grant and donations	2	497,650	128,612	626,262	550,728
Incoming resources from charitable activities	3	299,224	-	299,224	217,738
Interest received		<u>847</u>	<u>-</u>	<u>847</u>	<u>2,382</u>
Total incoming resources		<u>797,721</u>	<u>128,612</u>	<u>926,333</u>	<u>770,848</u>
Resources expended					
Charitable expenditure					
Costs in furtherance of charitable objects					
Costs of generating funds	4	96,166	41,158	137,324	194,366
Costs of Museum operation	4	728,806	361,474	1,090,280	964,074
Governance costs	5	<u>28,087</u>	<u>-</u>	<u>28,087</u>	<u>31,702</u>
Total resources expended	6	<u>853,059</u>	<u>402,632</u>	<u>1,255,691</u>	<u>1,190,142</u>
Net (outgoing) resources before transfers	7	(55,338)	(274,020)	(329,358)	(419,294)
Transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net (outgoing) resources for the year		(55,338)	(274,020)	(329,358)	(419,294)
Balances brought forward		<u>(22,910)</u>	<u>9,201,211</u>	<u>9,183,301</u>	<u>9,602,595</u>
Balances carried forward		<u>(78,248)</u>	<u>8,932,191</u>	<u>8,853,943</u>	<u>9,183,301</u>

The group has no recognised gains or losses other than the results for the year as set out above

All of the activities of the group are classed as continuing

THE NATIONAL FOOTBALL MUSEUM

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2009

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2009 £	Total Funds 2008 £
Fixed assets					
Tangible assets	8	18,677	7,764,028	7,782,705	8,117,462
Heritage assets	9	-	1,505,709	1,505,709	1,505,709
		18,677	9,269,737	9,288,414	9,623,171
Current assets					
Stocks		20,762	-	20,762	19,334
Debtors	11	48,750	41,151	89,901	53,315
Cash at bank and in hand		-	21,303	21,303	449
		69,512	62,454	131,966	73,098
Creditors: amounts falling due within one year	12	(163,312)	-	(163,312)	(112,968)
Net current assets/(liabilities)		(93,800)	62,454	(31,346)	(39,870)
Total assets less current liabilities		(75,123)	9,332,191	9,257,068	9,583,301
Creditors: amounts falling due after more than one year	13	(3,125)	(400,000)	(403,125)	(400,000)
Net assets		(78,248)	8,932,191	8,853,943	9,183,301
Funds					
Unrestricted funds	14	(78,248)	-	(78,248)	(22,910)
Restricted funds	15	-	8,932,191	8,932,191	9,206,211
		(78,248)	8,932,191	8,853,943	9,183,301

Approved by the Board of Trustees on 19/07/2010 and signed on its behalf by

Mr P Dermody
Trustee - Chair

Trustee

Company Registration Number 3070670

THE NATIONAL FOOTBALL MUSEUM
BALANCE SHEET OF THE COMPANY (LIMITED BY GUARANTEE)

AS AT 30 JUNE 2009

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2009 £	Total Funds 2008 £
Fixed assets					
Tangible assets	8	18,677	7,764,028	7,782,705	8,117,462
Heritage assets	9	-	1,505,709	1,505,709	1,505,709
Investments	10	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>
		18,678	9,269,737	9,288,415	9,623,172
Current assets					
Stocks		-	-	-	-
Debtors	11	76,036	52,597	128,633	68,607
Cash at bank and in hand		<u>-</u>	<u>9,857</u>	<u>9,857</u>	<u>449</u>
		76,036	62,454	138,490	69,056
Creditors: amounts falling due within one year	12	<u>(156,935)</u>	<u>-</u>	<u>(156,935)</u>	<u>(97,575)</u>
Net current assets/(liabilities)		(80,899)	62,454	(18,445)	(28,519)
Total assets less current liabilities		(62,221)	9,332,191	9,269,970	9,594,653
Creditors: amounts falling due after more than one year	13	<u>(16,027)</u>	<u>(400,000)</u>	<u>(416,027)</u>	<u>(411,352)</u>
Net assets		<u>(78,248)</u>	<u>8,932,191</u>	<u>8,853,943</u>	<u>9,183,301</u>
Funds					
Unrestricted funds	14	(78,248)	-	(78,248)	(22,910)
Restricted funds	15	<u>-</u>	<u>8,932,191</u>	<u>8,932,191</u>	<u>9,206,211</u>
		<u>(78,248)</u>	<u>8,932,191</u>	<u>8,853,943</u>	<u>9,183,301</u>

Approved by the Board of Trustees on 10/07/2010 and signed on its behalf by

Mr P Dermody
Trustee - Chair

Trustee

Company Registration Number 3070670

THE NATIONAL FOOTBALL MUSEUM

CONSOLIDATED CASH FLOW STATEMENT

AS AT 30 JUNE 2009

	Note	£	2009	£	£	2008	£
Net cash (outflow)/ inflow from operating activities	19			81,913		(57,774)	
Returns on investments and servicing of finance							
Interest received				847		2,382	
Interest paid				(76)		(150)	
Capital expenditure							
Payments to acquire tangible fixed assets				(33,705)		(9,492)	
Cash (outflow)/inflow before financing				48,979		(65,034)	
Financing							
Net (outflow)/inflow from bank loans				-		-	
Net (outflow)/inflow from other long term creditors				-		-	
Net cash (outflow)/inflow from financing				-		-	
(Decrease)/increase in cash	21			48,979		(65,034)	

THE NATIONAL FOOTBALL MUSEUM

NOTES TO THE ACCOUNTS

YEAR ENDED 30 JUNE 2009

1 Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention, except for investments which are included at market value, and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) and the Companies Act 2006

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The charity has availed itself of Schedule 1 of The Small Companies and Groups (Accounts and Reports) Regulations 2008 and adapted the Companies Act formats to reflect the special nature of the charity's activities. No separate SOFA has been presented for the charity alone as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

Company status

The charity is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

Incoming resources

Grant and other similar income 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.

Grants relating to fixed asset purchases are credited in full to the statement of financial activities in the year in which they are receivable. This treatment is not in accordance with SSAP 4, however it does comply with the charity SORP, which the trustees consider to be most applicable. Where the obligation attached to the grant income is fully met by purchasing the relevant capital items, the fund balance is transferred to unrestricted funds.

Resources expended

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

Exhibition costs which relate to short term or temporary exhibitions are expended in the statement of financial activities in the year in which they arise.

THE NATIONAL FOOTBALL MUSEUM

NOTES TO THE ACCOUNTS

YEAR ENDED 30 JUNE 2009

1 Accounting policies (continued)

Tangible fixed assets and depreciation

Tangible fixed assets costing more than £500 are capitalised and included at cost including any incidental expenses of acquisition

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Plant and office equipment	Over 3 years
Leasehold improvements	Over the remaining life of the lease
Permanent exhibition stands	Over 10 years

Exhibition costs which relate to long term museum exhibition stands and displays are capitalised in the balance sheet

Heritage assets

Heritage assets comprise collection items displayed throughout the Museum. Purchased items are capitalised and included at cost. Donated collection items are capitalised at their estimated market value.

It is the responsibility of the Museum to preserve collection items for the benefit of the nation and due to their nature they are expected to have a long life. Depreciation is therefore not charged on collection items which have been capitalised since this is deemed to be immaterial. Impairment reviews are carried out annually in respect of such assets.

Stocks

The cost of books, guides and publications produced are valued at the lower of cost and net realisable value.

Pension costs

The charitable group pays contributions to personal money purchase schemes for eligible employees and accounts for the amount due each year in the SOFA.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the SOFA.

THE NATIONAL FOOTBALL MUSEUM

NOTES TO THE ACCOUNTS

YEAR ENDED 30 JUNE 2009

1 Accounting policies (continued)

Fund accounting

Funds held by the charitable group are either

Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees and have not been designated for other purposes

Designated funds - these are the funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects

Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the charitable group. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements

Where a grant or donation is received to fund a capital item or where an asset is donated, if there is an obligation relating to the future use or retention of the relevant asset, the balance relating to that asset is held within restricted funds as long as that restriction exists. Where there is no such restriction, the restricted income relating to the purchase of capital items is transferred to unrestricted funds in the statement of financial activities

THE NATIONAL FOOTBALL MUSEUM

NOTES TO THE ACCOUNTS

YEAR ENDED 30 JUNE 2009

2 Grants and donations

	Unrestricted Funds £	Restricted Funds £	Total Funds 2009 £	Total Funds 2008 £
Friends of the museum	150	-	150	185
NWDA grant	150,000	-	150,000	5,500
Arts Council and Football Foundation	154,050	39,250	193,300	304,050
Preston City Council	25,000	-	25,000	25,000
Lancashire County Council	25,675	-	25,675	25,563
Museums and Galleries Improvement Fund	-	-	-	15,128
DCMS grant	102,700	-	102,700	106,744
Other grants and donations	40,075	15,436	55,511	68,558
Sir Tom Finney exhibition	-	48,926	48,926	-
UEFA donation	-	25,000	25,000	-
Gift aid	-	-	-	-
	<u>497,650</u>	<u>128,612</u>	<u>626,262</u>	<u>550,728</u>

3 Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2009 £	Total Funds 2008 £
Royalties received	5,822	-	5,822	6,486
Sponsorship	78,950	-	78,950	2,250
Corporate sales	30,894	-	30,894	17,607
Image sales	2,172	-	2,172	1,368
Hall of Fame income	51,675	-	51,675	76,227
Shop takings	76,729	-	76,729	67,926
Events and exhibitions	20,970	-	20,970	18,155
Café rent	-	-	-	170
Goalstriker	17,503	-	17,503	17,103
Miscellaneous	<u>14,509</u>	<u>-</u>	<u>14,509</u>	<u>10,446</u>
	<u>299,224</u>	<u>-</u>	<u>299,224</u>	<u>217,738</u>

THE NATIONAL FOOTBALL MUSEUM

NOTES TO THE ACCOUNTS

YEAR ENDED 30 JUNE 2009

4 Costs in furtherance of charitable objects

	Unrestricted Funds £	Restricted Funds £	Total Funds 2009 £	Total Funds 2008 £
Costs of generating funds:				
Purchases for resale	46,451	-	46,451	54,404
Hall of Fame costs	20,172	-	20,172	71,034
Cost of events and projects	29,543	41,158	70,701	68,928
	96,166	41,158	137,324	194,366
Costs of Museum operation.				
Wages and national insurance	383,677	-	383,677	380,168
Pension costs	10,525	-	10,525	11,760
Training and education	948	-	948	4,776
Rates and water	12,949	-	12,949	12,576
Heat & light	90,417	-	90,417	72,586
Insurance	19,334	-	19,334	20,698
Repairs and maintenance	26,512	-	26,512	22,593
Cleaning	15,893	-	15,893	15,773
Exhibition and marketing costs	127,253	-	127,253	24,089
Telephone	7,035	-	7,035	6,148
Printing, postage and stationery	12,786	-	12,786	14,068
Motor and travel expenses	-	-	-	2,375
Bad debts	-	-	-	98
General expenses	6,507	-	6,507	6,637
Software support	5,493	-	5,493	1,142
Bank charges	2,413	-	2,413	3,381
Interest payable and similar charges	76	-	76	150
Depreciation – leasehold improvements	-	151,855	151,855	151,855
Depreciation – permanent exhibitions	-	209,619	209,619	207,568
Depreciation – plant and equipment	6,988	-	6,988	5,633
	728,806	361,474	1,090,280	964,074

THE NATIONAL FOOTBALL MUSEUM

NOTES TO THE ACCOUNTS

YEAR ENDED 30 JUNE 2009

5 Governance costs

	Unrestricted Funds £	Restricted Funds £	Total Funds 2009 £	Total Funds 2008 £
Wages and national insurance	9,139	-	9,139	8,916
Legal and professional	2,715	-	2,715	6,478
Audit and accountancy	14,921	-	14,921	14,946
Insurance	<u>1,312</u>	<u>-</u>	<u>1,312</u>	<u>1,362</u>
	28,087	-	28,087	31,702
	<u><u>28,087</u></u>	<u><u>-</u></u>	<u><u>28,087</u></u>	<u><u>31,702</u></u>

6 Total resources expended

	Staff Costs £	Depreciation £	Other Costs £	Total Funds 2009 £	Total Funds 2008 £
Direct charitable expenditure	394,202	368,462	464,940	1,227,604	1,165,898
Governance costs	<u>9,139</u>	<u>-</u>	<u>18,948</u>	<u>28,087</u>	<u>31,702</u>
	403,341	368,462	483,888	1,255,691	1,197,600
	<u><u>403,341</u></u>	<u><u>368,462</u></u>	<u><u>483,888</u></u>	<u><u>1,255,691</u></u>	<u><u>1,197,600</u></u>

The aggregate payroll costs were:

	2009 £	2008 £
Wages and salaries	364,341	388,495
Social security costs	28,475	26,768
Pension costs	<u>10,525</u>	<u>11,760</u>
	403,341	427,023
	<u><u>403,341</u></u>	<u><u>427,023</u></u>

THE NATIONAL FOOTBALL MUSEUM

NOTES TO THE ACCOUNTS

YEAR ENDED 30 JUNE 2009

6 Total resources expended (continued)

Particulars of employees

The average number of employees, calculated on a full-time equivalent basis, analysed by function was

	2009 £	2008 £
Research and collections development	4	6
Front of house	10	10
Management and administration	<u>4</u>	<u>3</u>
	18	19

There were no employees earning more than £60,000

The trustees received no remuneration from the charitable group. A total of £91 (2008 £500) was paid to trustees in relation to the reimbursement of travelling expenses incurred attending trustee meetings.

The cost of insurance to indemnify the trustees against the consequences of any neglect or default on their part amounted to £1,312.

7 Net incoming resources

Net incoming resources is stated after charging

	2009 £	2008 £
Pension costs	10,525	11,760
Depreciation	368,462	364,910
Auditors remuneration	<u>14,921</u>	<u>14,946</u>
	393,908	391,616

THE NATIONAL FOOTBALL MUSEUM

NOTES TO THE ACCOUNTS

YEAR ENDED 30 JUNE 2009

8 Tangible fixed assets

Group and charitable company

	Restricted Leasehold Improvements £	Permanent Exhibitions £	Unrestricted Plant & Equipment £	Total £
Cost				
At 1 July 2008	8,959,449	2,158,630	87,259	11,205,338
Additions	-	25,000	8,705	33,705
At 30 June 2009	8,959,449	2,183,630	95,964	11,239,043
Depreciation				
At 1 July 2008	1,415,938	1,601,639	70,299	3,087,876
Charge for the year	151,855	209,619	6,988	368,462
At 30 June 2009	1,567,793	1,811,258	77,287	3,456,338
Net book value				
At 30 June 2009	7,391,656	372,372	18,677	7,782,705
At 30 June 2008	7,543,511	556,991	16,960	8,117,462

Apart from general plant and office equipment, all of the above fixed assets are used for direct charitable purposes

Leasehold improvements comprise all works carried out at the Deepdale Stadium in constructing the Museum, including the cost of acquiring the 60-year lease from Preston North End Plc for £1 975 million in March 2003. The vast majority of these improvements have been funded by the Heritage Lottery Fund and the Northwest Regional Development Agency.

Permanent exhibitions relate to the long term stands and displays within the Museum.

THE NATIONAL FOOTBALL MUSEUM

NOTES TO THE ACCOUNTS

YEAR ENDED 30 JUNE 2009

9 Heritage assets

Group and charitable company

	Collection items £	Total £
Cost		
At 1 July 2008	1,505,709	1,505,709
Additions	-	-
At 30 June 2009	1,505,709	1,505,709
Net Book Value		
At 30 June 2009	1,505,709	1,505,709
At 30 June 2008	1,505,709	1,505,709

The National Football Museum holds ten distinct collections, each of which is of major historical significance in its own right. They include two collections relating to FIFA, football's world governing body, and the collection of the world's oldest Football Association and oldest Football League. Collectively they form the largest publicly held collection of football memorabilia in the world, totalling over 30,000 items. These range in age from the 16th to the 21st centuries.

The Museum has a detailed Acquisitions and Disposal Policy, which has been approved by the Museums, Libraries and Archives Council, the Government body responsible for promoting standards in museums.

At any time approximately five percent of the collections are on display in the exhibitions at the National Football Museum. The remaining items are held in storage, but can be made available for research purposes. Items are also loaned for display at other museums.

The Museum has not capitalised the value of items added to the collections during the year. The Museum has comprehensive insurance for all the collections held, both those on loan and those which are owned by the Museum.

THE NATIONAL FOOTBALL MUSEUM

NOTES TO THE ACCOUNTS

YEAR ENDED 30 JUNE 2009

9 Heritage assets (continued)

The following six collections are owned by the Museum

The FIFA Museum Collection

This collection was acquired in 1999 from FIFA with the assistance of a grant from the Heritage Lottery Fund. It consists of over 4,000 items, reflecting all aspects of the history of English football, the ancient and medieval forerunners of the modern game, and also the development of the game around the world. The collection includes paintings, drawings and prints, photographs and posters, playing kit and equipment, metal sculpture, fine metal and ceramic decorative items, toys and games, books and ephemera.

The Peoples' Collection

This collection consists of over 6,000 items donated by hundreds of supporters, players and other individuals related to the game. It is tangible evidence of the extensive public support which the Museum has attracted. It offers an extraordinarily rich and diverse social history of the game and its role in English society throughout the twentieth century. A number of items in the Peoples Collection are on loan.

The FIFA Book Collection

This collection of over 1,200 football books was purchased with the financial assistance of FIFA in 1998. The collection is particularly strong in terms of rare nineteenth century yearbooks and annuals, but also contains early histories of the game, club histories from the 1920's onwards, players' biographies and autobiographies, and football fiction from 1900 onwards.

The Harry Langton Collection

This collection, created by Harry Langton, the man who created the FIFA Museum Collection, was purchased by the museum in February 2000, with the assistance of a grant from the Heritage Lottery Fund. As with the FIFA Museum Collection, the material includes paintings, drawings and prints, photographs and posters, playing kit and equipment, metal sculpture, fine metal and ceramic decorative items, toys and games, and books and ephemera.

The Preston North End Football Club Collection

This collection consists of over 2,000 items reflecting all aspects of the club's history from the 1870s onwards, including trophies, medals, caps, jerseys, archive material and supporters' memorabilia.

The Sir Stanley Matthews Collection

This collection was purchased in 2001 with the assistance of a grant from the Heritage Lottery Fund. It consists of items relating to the career of one of the greatest English players of all time, including international caps, badges and associated information relating to Sir Stanley's club career and his international career with England.

THE NATIONAL FOOTBALL MUSEUM

NOTES TO THE ACCOUNTS

YEAR ENDED 30 JUNE 2009

9 Heritage assets (continued)

The following five collections are on long term loan to the Museum, apart from a small number of items in the Football Association Collection, which have been donated. The loaned collections have not been capitalised within the accounts of the Museum.

The Football Association Collection

This collection of over 1,600 items reflects all aspects of the history of the world's first football association, founded in 1863. The collection consists of trophies and awards from international tournaments, gifts to the FA marking international matches, painting and sculptures, photographs and archive documents. A small number of items in this collection have been donated and these items have been capitalised at their estimated market value.

The Football League Collection

This collection of over 1,500 items reflects all aspects of the history and development of the world's oldest professional league, founded in 1888. It consists of trophies and medals, commemorative plaques, shields, pennants, banners, ceramics and glassware, framed photographs, presentation scrolls and artwork, and ephemera, including match programmes, original newspapers and Football League publications.

The Littlewoods Pools Collection

The Museum holds on loan a collection of over 5,000 items relating to the history of the Littlewoods Pools. Littlewoods Pools has played a key part in the game, both through the significance of football pools in the social history of football since the 1920s, and also through the major investment in the game which has come from the Government's Levy on the football pools.

In addition to the above collections David Gold, Chairman of Birmingham City Football Club, has kindly loaned to the Museum for display the oldest surviving FA Cup Trophy, which was used from 1896 to 1910.

The Priory Collection

The National Football Museum has acquired on loan 300 outstanding items from one of the finest private sporting collections in the country, the Priory Collection. The loan includes outstanding artworks on a football theme and objects relating to world famous players and legendary matches. The items have been used during the year to develop a major redisplay of the First Half Gallery.

The Bolton Wanderers Collection

The National Football Museum has acquired on loan objects from the Bolton Wanderers FC collection, which have gone on display in the permanent galleries of the museum. The club, founded in 1874, was one of the twelve founder members of the Football League in 1888 and has remained in the league ever since. Among the loan of objects are early trophies such as the Bolton Charity trophy, in use from 1882 to 1905, and the Turton FC trophy from 1874. The loan also includes tickets and dinner menus from Bolton's FA Cup wins in the 1920s and a model of Burnden Park, Bolton's ground for 102 years before they moved to the Reebok Stadium.

THE NATIONAL FOOTBALL MUSEUM

NOTES TO THE ACCOUNTS

YEAR ENDED 30 JUNE 2009

10 Investments

<i>Charitable company</i>	2009 £	2008 £
Share in subsidiary undertakings	1	1

The share in the subsidiary undertaking is the charitable company's investment in the trading subsidiary, The National Football Museum (Trading) Limited, a company incorporated in England and Wales. The investment represents a holding of 100% of the ordinary share capital of that company.

11 Debtors

	2009 £	Group 2008 £	Charitable Company 2009 £	2008 £
Trade debtors	10,327	20,440	3,131	16,570
Taxation and social security	6,835	5,494	7,946	7,533
Gift aid receivable	-	-	48,563	23,669
Other debtors	1,500	1,750	-	-
Accrued income	52,400	6,122	52,400	5,122
Prepayments	18,839	19,509	16,593	15,713
	89,901	53,315	128,633	68,607

12 Creditors: amount falling due within one year

	2009 £	Group 2008 £	Charitable Company 2009 £	2008 £
Bank loans and overdrafts	-	28,125	-	32,159
Trade creditors	26,631	36,743	23,733	30,816
Taxation and social security	13,666	8,082	13,666	8,082
Obligations under finance leases	2,678	-	2,678	-
Deferred income	105,997	25,500	105,997	15,000
Accruals	14,340	14,518	10,861	11,518
	163,312	112,968	156,935	97,575

THE NATIONAL FOOTBALL MUSEUM

NOTES TO THE ACCOUNTS

YEAR ENDED 30 JUNE 2009

13 Creditors: amounts falling due after more than one year

	2009	Group	Charitable Company	
	2008	2009	2008	
	£	£	£	£
Chattel mortgage	400,000	400,000	400,000	400,000
Amounts owed to subsidiary	-	-	12,902	11,352
Obligations under finance leases	3,125	-	3,125	-
	403,125	400,000	416,027	411,352

The chattel mortgage from the Football Foundation originated in October 2002 with a £300,000 loan secured against two items in the FIFA Collection (combined value £325,000). In August 2003 the mortgage was further extended by £100,000 with security over another item in the FIFA Collection (value of £50,000). The chattel mortgage will only become repayable should the Museum cease to operate.

14 Unrestricted funds

	Group	Charitable
	£	Company
	£	£
Balance at 1 July 2008	(22,910)	(22,910)
Net outgoing resources	(55,338)	(55,338)
Funds transfers	-	-
Balance at 30 June 2009	(78,248)	(78,248)

THE NATIONAL FOOTBALL MUSEUM

NOTES TO THE ACCOUNTS

YEAR ENDED 30 JUNE 2009

15 Restricted funds

Charitable company

	Balance at 1 July 2008 £	Income £	Expenditure £	Funds Transfers £	Balance at 30 June 2009 £
HLF grant – capital	6,127,421	-	(283,402)	-	5,844,019
Collections fund	1,105,709	-	-	-	1,105,709
NWDA grant – capital	1,923,725	-	(71,777)	-	1,851,948
Other grants	41,752	15,436	(7,984)	-	49,204
Museums and Galleries Improvement Fund	7,604	-	(760)	-	6,844
UEFA donation	-	25,000	(1,250)	-	23,750
Football Foundation and Arts Council	-	39,250	(9,461)	-	29,789
Sir Tom Finney exhibition	-	48,926	(27,998)	-	20,928
Total restricted funds	9,206,211	128,612	(402,632)	-	8,932,191

The "HLF Grant – Capital" fund relates to capital grants received. This fund will be written off over the life of the fixed assets to which it relates by allocating a proportion of the depreciation charge each year.

The Collection Fund relates to amounts received towards the purchase of Collection items which are capitalised in the balance sheet. These assets are not depreciated and as such this fund will remain in perpetuity, which reflects the ongoing restriction.

The "NWDA Grant – Capital" and other grant funds relate to capital grants received in the year. The funds will be written off over the life of the fixed assets to which they relate by allocating a proportion of the depreciation charge each year.

The 'UEFA donation' fund relates to a donation received during the year. The donation consists of LCD television screens, computer software and videos licences. This fund will be written off over the life of the fixed asset by the depreciation charge each year.

The 'Football Foundation and Arts Council' fund relates to a specific exhibition called Streetspeak that will continue into the next financial year. All costs incurred for this project will be restricted and allocated against the fund.

The 'Sir Tom Finney' fund is for the local legend event. All restricted expenditure will be set against the fund so that it is fully written down.

THE NATIONAL FOOTBALL MUSEUM

NOTES TO THE ACCOUNTS

YEAR ENDED 30 JUNE 2009

16 Future plans

As detailed more fully in the Trustees Annual Report, the Museum is to enter into a partnership with Manchester City Council, in order to secure the long term future of the Museum in the North West of England

17 Company limited by guarantee

The National Football Museum is a charitable company limited by guarantee, having no share capital and governed by its Memorandum and Articles of Association dated 31 October 1996

18 Subsidiary company

The National Football Museum owns the whole of the issued capital of The National Football Museum (Trading) Limited, a company registered in England and Wales. The subsidiary is used to generate sponsorship and promotional income for the charitable company. All activities have been consolidated on a line by line basis in the SOFA. The total net profit is gifted to the charity. A summary of the results of the subsidiary is shown below

	2009 £	2008 £
Turnover	288,023	207,602
Cost of sales	<u>(163,052)</u>	<u>(144,041)</u>
Gross profit	124,971	63,561
Administration expenses	<u>(30,076)</u>	<u>(30,392)</u>
Net profit	94,895	33,169
Gifted to charity	<u>(94,895)</u>	<u>(33,169)</u>

The aggregate of the assets, liabilities and funds was

	2009 £	2008 £
Assets	56,052	45,136
Liabilities	<u>(56,051)</u>	<u>(45,135)</u>
Funds (representing 1 ordinary share of £1)	<u>1</u>	<u>1</u>

THE NATIONAL FOOTBALL MUSEUM

NOTES TO THE ACCOUNTS

YEAR ENDED 30 JUNE 2009

19 Reconciliation of changes in resources to net cash inflow from operating costs

	2009 £	2008 £
Net outgoing resources	(329,358)	(419,294)
Interest received	(847)	(2,382)
Interest paid	76	150
Depreciation	368,462	365,056
Decrease/(increase) in stocks	(1,428)	12,601
Decrease/(increase) in debtors	(36,586)	19,023
(Decrease)/increase in creditors	<u>81,594</u>	<u>(32,928)</u>
Net cash (outflow)/inflow from operating activities	<u>81,913</u>	<u>(57,774)</u>

20 Reconciliation of net cash flow to movement in net debt

	2009 £	2008 £
(Decrease)/increase in cash in the year	48,979	(36,909)
Cash flow from movement in net debt	<u>28,125</u>	<u>(28,125)</u>
Movement in net debt in the year	77,104	(65,034)
Net debt at 1 July 2008	<u>(427,676)</u>	<u>(362,642)</u>
Net debt at 30 June 2009	<u>(350,572)</u>	<u>(427,676)</u>

21 Analysis of changes in net funds

	1 July 2008 £	Cash flow £	30 June 2009 £
Cash at bank and in hand	449	20,854	21,303
Debt due within one year	(28,125)	28,125	-
Debt due after one year	<u>(400,000)</u>	<u>-</u>	<u>(400,000)</u>
Net (debt)/funds	<u>(427,676)</u>	<u>48,979</u>	<u>(378,697)</u>

THE NATIONAL FOOTBALL MUSEUM

NOTES TO THE ACCOUNTS

YEAR ENDED 30 JUNE 2009

22 Related party transactions

Mr K Ellard, a trustee of the charitable company, was also a councillor with Lancashire County Council. During the year Lancashire County Council provided funding of £25,000.

Mr W Tyson, a trustee of the charitable company, was also a councillor with Preston City Council. During the year Preston City Council provided funding of £25,000.

Mr S Barker, a trustee of the charitable company, was also an executive with the Professional Footballers' Association. During the year the Professional Footballers' Association provided funding of £16,000.