

THE NATIONAL FOOTBALL MUSEUM

Company Registration No. 03070670 (England and Wales)

Registered Charity No. 1050792

The National Football Museum

Annual Report and Consolidated Financial Statements For
the Year Ended 31 March 2019

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COMPANY INFORMATION YEAR ENDED 31 MARCH 2019

Chairman	Mr I R Penrose
Trustees	Mr FA Ali
	Mr S Barker
	Professor S J Broomhead
	Ms M J Digby
	Mr J A Farquharson (resigned 2 September 2018)
	Mr PE Mains (resigned 31 October 2019)
	Mr CA J Memmott
	Mr NJ Paske
	Mr I R Penrose
	Mr L Rahman
	Ms M H Stevenson
	Mrs S M Todd (resigned 4 June 2019)
	Mr N C Fairlamb (Appointed 25 April 2019)
Secretary	Mr DJ Martland
Registered office	Urbis Building Cathedral Gardens Manchester M4 3BG
Company number	03070670
Charity number	1050792
Auditor	KPMG LLP 1 St Peter's Square Manchester M2 3AE
Solicitors	Brabners Chaffe Street 7-8 Chapel Street Preston PR1 8AN

TRUSTEES' REPORT (INCLUDING THE STRATEGIC REPORT) YEAR ENDED 31 MARCH 2019

The Trustees, who are also Directors for the purpose of the Companies Act, have pleasure in presenting their annual report and the financial statements of the charity for the year ended 31 March 2019.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

Legal Status

The National Football Museum (the Museum or NFM) is a charitable company limited by guarantee with registered charity number 1050792 and company number 03070670. Not having a share capital, the Museum is governed by its Memorandum and Articles of Association dated April 2018. The registered office is Urbis Building, Cathedral Gardens, Manchester, M4 3BG.

Current Position

The purpose of the 2019-22 strategic plan is to direct the development of the National Football Museum (NFM) over the next three years, providing the framework to enable investment of the resources needed to achieve the organisation's strategic vision which is:

To be a leading national museum (with one million visitors* per year by 2022) exploring why football is the game of our lives

*including virtual visitors through social media

The concept of a 'national football museum' is a great one. To achieve its potential, we will need to operate a 'best practice model' and be accepted by our cultural and football peers as a national standard museum. To do this we will need to invest in staff who have the knowledge and expertise to produce world class exhibitions, programmes with the public and the community utilising a collection pre-dominantly owned which is of national importance.

This will need a sound investment model built on visitor income, fundraising, and commercial activities.

We will need strong and diverse leadership and governance and excellent partners.

There is a mountain to climb and we need to carefully plan our ascent measuring each step and taking expert advice on our path... However, we have amongst the team expert mountaineers, so we have every chance of success!

What are we trying to achieve as a charity?

To engage and entertain our visitors by providing cultural opportunities for them to share stories about football and explore the 'game of our lives'.

What kind of charity do we want to be?

A truly national museum that is recognised as a national and international authority on football heritage as well as a world class visitor attraction for the public and the local community.

What do we want to do for our visitors?

We want to create activities, events and exhibitions and provide access to our collections.

Our strategy has been developed within the context of the environment and sectors the NFM works in located in the city of Manchester and within the sectors of heritage, arts and football. As part of this we have looked at possible changes that may take place within the life of the strategic plan such as a more diverse population and a need to source funding beyond our grant from Manchester City Council.

As part of the environmental review we have also looked at our peer organisations and competitors to see what we can learn and make sure that there is no duplication of activity and to look at potential ways of collaboration.

A key observation was the large investment in Football in the Community which has led to us focusing our resources on curating the role that football plays in the community and centring our community-based work inside the museum with an emphasis on creative engagement.

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Moving from an understanding of the external environment the NFM works in, we have as part of this plan carried out an internal analysis identifying our strengths, weaknesses, opportunities and threats. This has led to us recognising our unique selling points and what sets us apart from our competitors.

Simply put we are a multifaceted charity that uses football's on-going heritage as a reference point for public and community engagement and our biggest assets are our collection of archives and artefacts, including the iconic building we operate in.

Our Mission is:

Sharing a diversity of football stories from the pitch to the community

At the heart of the NFM is a museum, which incorporates the site of the Urbis building and its Galleries which each have a separate purpose and identity:

- Pitch Gallery on the ground floor a 'Pop-Up' photography and art space which also acts as an event and activity area under the lights and on the astro turf. This is the NFM's version of Tate Modern's Turbine Hall and will become a Cultural destination in its own right for visitors to Manchester with 4 exhibitions a year
- Match Gallery on level 1 which houses our permanent exhibitions and tells the story of the game, its players, managers, grounds, fans and cups as well as incorporating the NFM cinema and the Hall of Fame
- Play Gallery on level 2 an agile kinaesthetic space focusing on the science and technology of modern football and where our visitors get the opportunity to play football in new innovative ways
- Score Gallery on level 3 which acts as a special exhibition area showing a programme of high-quality shows from the Pitch to the Community, co-produced with our partners
- Community Gallery on level 4 which is where our Community programmes take place with schools and groups and on which Community exhibitions are co-produced over the summer

Complementing our exhibitions and access to our collections both in Manchester and Preston each year we run a series of events programmes for the public and the community both with our in-house team and external practitioners.

To achieve the ambitions of our new strategic plan we need to make significant progress to:

- Modernise the museum so that it becomes an agile cultural venue constantly evolving through investment and the co-curation of shared stories of our visitors and partners
- Be innovators by constantly producing new exhibitions and new programmes to attract visitors but also investors in our social purpose to represent diversity in the game
- Work towards 50% representation of women in our people, partners, collecting, exhibitions and programmes
- Measure our social impact so we make a positive difference to our visitors' mental health; attainment and appreciation of equality
- Deliver impact by attracting the whole community to the museum to engage in programmes that change their outlook and their lives as well as providing digital resources that extend nationally and internationally so they can be used by our partners and their communities from early years to care homes
- Invest in our talent so that we are the best place to work and have increased diversity and skills represented in our team expanding from 64 staff to 78 staff by 2022
- Develop our board to be investors in our charity and representative of our community and stakeholders
- Create an award-winning virtual museum through our website and invest £35k in building our digital audience.
- Build revenue from £3m in which MCC accounted for 55% to £5m in which MCC will account for 24%
- Move from a rebased visitor number of 175k in 2019 to a target of 298k in 2022

Summary of Risks

The NFM's board of trustees meet quarterly and assess a risk, with high category risks as part of the CEO Report.

Key risks include:

- maintaining the annual grant received from Manchester City Council

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- managing commercial partners to contribute to income and protect our reputation
- Potential legal costs to manage historic commercial relationships
- Developing the culture and capacity of the organisation in a period of great change
- Ageing Galleries and exhibitions in need of refurbishment
- being able to attract paying visitors to the museum under the new charging model to invest back into the charity
- Ability to raise revenue including fundraising to reach targets
- Uncertain amount of capital available for investment
- Need to become more connected to the stakeholders that we represent: football world, cultural sector and community leaders
- Change the culture of the organisation to build confidence in ourselves as leaders in our field
- Lack capacity and underdeveloped skills in key areas (management, marketing, curatorial, programming, fundraising and community learning)
- Creativity and the development of new ideas
- Our profile in the cultural sector

Structure, Governance and Management

Following the closure of the Original Museum in Preston in 2010 and the move to and creation of a much larger and more significant National Football Museum in Manchester, which opened in July 2012, the Board acknowledged that this represented the equivalent of a new Museum and decided that the Trustees would start new terms of office from the date of opening.

In April 2018 new Memorandum and Articles of Association were approved and adopted. The Articles set out that no Trustee may hold office for no more than two terms of three years effective from the date of the new Articles.

The Board is actively looking to appoint new Trustees in the next few months to refresh the Board and increase its skills and knowledge base.

The Trustees meet four times per year. Reports from the Museum Chief Executive, Tim Desmond, appointed November 2017, who has been delegated day to day management of the Museum, 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 Trustees have an Audit and Risk Committee, which meets at least annually with the auditors, and then as and when required. This is chaired by Steven Broomhead.

There is a Nomination and Remunerations Committee which is chaired by Ian Penrose. This meets as and when required.

A new Finance and Development Committee is being set up to support the commercial and fundraising activities of the museum.

The current Trustees are detailed on page 3. The Trustees who served during the period are set out on below:

Name	Resigned
Ms M H Stevenson	
Mr S Barker	
Ms M J Digby	
Mr J A Farquharson	
Mr FA Ali	
Mr CA J Memmott	
Mr I R Penrose	
Professor SJ Broomhead	
Mr NJ Paske	31 October 2019
Mr PE Mainds	4 June 2019
Mrs S M Todd	
Cllr L Rahman	

Reference and Administrative Details

Details of the registered office, Trustees and principal officers and other relevant information is given on page 3.

Business Review Introduction

The NFM has the world's largest public football collection over 40,000 objects and archives including the story of the early years of football. Through this collection the Museum explores why football is the game of our lives and the impact it has on society. This work is done through the permanent exhibitions which explore the history of the English game with both the national side and the English Leagues and our special exhibitions and interactions which stimulate stories about the impact of football.

Our collections currently stored at Preston North End Football Club, the original home of the museum, are a source of research and examination for academics and individual enquirers and we encourage universities to generate studies to develop our collection and invest in our purpose and aims.

As a museum our work is centred upon our collections and we endeavour to conserve and curate and conserve those objects and archives that stimulate stories about football and will constitute the unique history of the world's greatest and most popular sport. As part of our strategic plan we will make sure this is a fully representative history and has a constant drive for contemporary collecting with the support of the professional game and football bodies. We would also like to build a 'world changing' programme which displays objects to represent significant moments and actions from the global game.

The collection's Designation status was renewed in November 2017 under the scheme operated by Arts Council England (ACE). This means that the collection is officially recognised as being of national and international significance.

Vision and Aims

The Museum's strategic four-year vision is: To be a leading national museum (with 1 million visitors by 2022), exploring why football is the game of our lives

This purpose is delivered through four strategic aims:

AIM1

Become a centre of excellence for football heritage through fully representative exhibitions, collections and research

AIM2

Build an award-winning inclusive programme of Community & Public Engagement activities

AIM3

Achieve an annual diversified revenue of £5M

AIM4

Operate a Good Practice model for our physical and human resources

Relating to impact the Museum's social purpose is to:

IMPACT 1: improve mental well-being;

IMPACT 2: raise attainment

IMPACT 3: promote equality

Achievements and performance Review of activities

Following the appointment of Ian Penrose as Chair and Tim Desmond as Chief Executive in November 2017 there has been a refocus on creating a new business model for the charity aimed at developing long term resilience.

The context of the strategic planning phase was the necessity to diversify income as core funding from Manchester City Council has been steadily reduced from £1.9M on moving to Manchester to £1.645M in 2018/19 and £1.45M in 2019/20.

As part of this diversification of funding there will be a requirement to look actively at a range of revenue generators including, sponsorship and fundraising, event hire and other commercial activities including retail. The chief intervention of the new plan was to introduce a charging model from January 2019 to all visitors from outside the city of Manchester. Although visitor numbers have decreased by approximately 30% it has enabled the museum to be sustainable and is the foundation for future development to achieve the Museum's vision to be a leading national museum with one million virtual and physical visitors by 2022.

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Over Christmas 2018 the museum went through a major transformation including the repurposing of the different levels into Gallery spaces which had clearly defined roles for engagement with the visitor. In addition to this there was a restructure of the departments into two major sections: Content and Delivery, this included updating all job descriptions, redefining job titles and creating new bands of responsibility and accountability. Whilst the Museum represents the English game and national team as a national museum it has an international outlook, and this is represented by our collaborations with museums around the world.

In addition to the Museum's global outlook already as a key destination the Museum records the highest percentage of international visitors as well as a wide representation of visitors from lower earning socio economic groups than any other museum in the city which shows the key role football plays in the city and how the museum represents this.

The conclusion of the strategic plan was that the Museum represents the Game of our Lives and can become the place for people to gather physically and digitally to share stories about football. With this platform and a renewed purpose, the outlook is very positive.

Having achieved sustainability and put into place a new reserve provision the next step is drawing diverse talent into the organisation and sourcing investment to realise the potential of the organisation to be a truly national museum with international standing.

Stakeholders

The support of a range of organisations and individuals has been, and will continue to be, vital to the achievement of the Museum's unique mission. The Museum works in close partnership with a wide range of organisations, from local and regional, to national and international bodies. These include community groups, heritage organisations, tourism bodies, football organizations, businesses and universities.

Manchester City Council (MCC) is the key stakeholder and strategic partner for the Museum. The partnership with MCC has secured the Museum's future and will ensure NFM will prosper and fulfil its outstanding potential. The partnership with MCC enabled the Museum to come to Manchester 2012.

As part of the revitalised Hall of Fame initiative the Museum is building up a panel of advisors from all the major football institutions and representatives from the games.

The objective is also to draw in diverse representation from individuals with skills and experience into advisory groups who will help support the Museum's governance and develop a more representative culture.

The Professional Football Association (The FA) who have been a strong supporter over the years including sponsoring the Hall of Fame events and exhibition programme.

The Museum purchased the FIFA Collection from FIFA, with grant funding from the Heritage Lottery Fund (HLF) and the North West Development Agency (NWDA). FIFA provided funding so that the Museum could purchase the world's finest collection of football books, which is known as the FIFA Book Collection. With the support of FIFA, items from the FIFA Collection have featured in over 25 exhibitions around the world, including during the 1998, 2002, 2006 and 2010 FIFA World Cup Finals.

Kick it Out are another organization which the Museum has worked actively with over the years and there are new plans to work with them in association with their 25th anniversary. As part of this discussions are taking place for the Museum to take on loan the Kick it Out Collection to support research, conservation and new exhibitions.

We are also building new relationships with organisations such as the Premier League Charitable Fund who share our values and strategic priorities.

Exhibitions and Installations 2018/19

Total exhibition spend for the year was £334,014.

Score Gallery

The Game Exhibition

Photographer Stuart Roy Clarke's collection of over 30 years of capturing the English game.

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Pitch Gallery

Playing for a Draw Exhibition (in association with the Lakes International Comic Art Festival) 5/7/18

The exhibition of football art from illustration, comics and caricatures through to memorabilia and collectables is curated by renowned British cartoonist Steve McGarry.

Bands FC Exhibition 7/9/18

Bands FC is the brain child of Tim Burgess, lead singer for Mancunian indie music legends The Charlatans. A social media sensation, they combine the worlds of music and football, incorporating the world's most popular bands into iconic club crests.

The exhibition will be the first time Bands FC have staged an exhibition. It featured crests designed by a number of leading illustrators including Stanley Chow, Peter Saville and Mark Liptrott.

Match Gallery

Red Stars Exhibition 13/6/18

As part of the World Cup celebrations and the Art of Football Project this new exhibition showcases Soviet mid-century football propaganda and movie posters which have been purchased with Heritage Lottery Fund money as part of the acquisition project.

The exhibition also featured a selection of Russian football objects on display to tell the story of football in Russia.

Black Looks Exhibition (Supported by the PFA) 28/6/18

To coincide with Black History month, Black Looks traced over a century of black and Asian professional footballers in Britain through a series of fine art portraits by artist Colin Yates. The display also included a number of objects charting the history of black footballers including a celebration of Justin Fashanu's career.

BBC World Cup tapestry

The tapestry used to promote the World Cup coverage on the BBC went on display on the art wall in the Match Gallery for the duration of the World Cup.

It featured key moments from World Cup history and following the tournament in Russia it has been updated to add significant events from last summer including Germany's group stage exit, England's penalty shoot-out win and France lifting the trophy.

Classic Football Shirts ongoing exhibition 2018/19

The prow end of the Match Gallery continued to display rotating match worn football shirts with a design connection. The first exhibition World Cup Classics opened in June and has recently been followed by English League Classics which features a number of 1990s of shirts with bold design. From September a third exhibition went on display with a Champions League theme.

Collections

Total accessions	2010
Object donations	397
Art purchases	18
Loans in	268
Loans returned	326

Objects passed to handling: NFM Community & Volunteering have been to Preston on several occasions choosing and collecting from material that was on offer.

Enquiries (incl offers)	516
Loan requests	42

Objects in exhibitions

Match Gallery

England Zone

Items removed to Preston –	79
Items removed but re-displayed elsewhere –	56
New items displayed –	63
Other Match Gallery changes	
Items removed –	120 (approx.)
Items added –	80 (approx.)

Unlocking the Hidden History of Women's Football - Arts Council of England

Two members of staff have been employed to document the Chris Unger Collection of Women's football previously purchased by the museum. A project manager was seconded to work on the project until September 2018 and was subsequently appointed a permanent Curator of Women in Football.

The Project Conference took place on the 8 and 9 March 2018. Themes included women's football and curatorial practice, women's football in South America, Football in the Hijab: International Muslim women football stars, Manchester City Women 1988-2018: an Oral History and Imaging Women's Football in the early twentieth century.

Linked to the strategic plan the NFM have made a pledge to increase the representation and participation of women in collections and exhibitions to 50%.

The Art of Football- Collecting Cultures, Heritage Lottery Fund

Part time Art Research Officer was employed from 2017 to September 2019 to research the artists and artwork from the 1953 FA 'Football and the Fine Arts' competition and exhibition. The academic partners for the project are Bristol University.

As part of the project the Museum will be purchasing art from the period that form part of the special exhibition Football is Art which opened in the Score Gallery in 2019.

Art works purchased for the collection include:

- Jean Cocteau - *Foot-ball Annonciation*, line cut (1923)
- Paul Nash - *Pony the Footballer*, woodcut proof (1921)
- Karel Lek - *Football Spectators in Rain*, watercolour (1952); *Off to the Match*, woodcut proof (1952)
- James Medley – *Footballers*, oil on canvas board (circa. 1985)
- Michael Rothenstein - *Moment of Victory*, etching & aquatint (1953) – this was exhibited in *Football and Fine Arts* exhibition and was one of the prize-winners in the 'engravings' category
- John Melville (British surrealist) – *Storm over Villa Park*, watercolour (1952)
- William Gear – Preparatory artworks for *Footballers*: 1 x pencil drawing (1952) & 1 x ink drawing (1953)
- E. L. Matto - Original gouache for newspaper advertisement (circa 1930s)
- Jill Iliffe – *Banned*, oil on canvas (circa 2007)
- Humphrey Spender – 2 x hand printed silver gelatin prints (made in 1995) of photographs originally taken in 1938 for the Picture Post, depicting scenes in Newcastle United Football Club Changing Rooms, Tyneside.
- Don McCullin - *Fishermen Playing during their Lunch Break, Scarborough, Yorkshire* (1967) - Gelatin silver print (made in 2019)
- Lawrence Toynbee – *Mid-week Practice at Stamford Bridge*, oil on canvas (1952) – this was exhibited in *Football and Fine Arts* exhibition and was one of the prize-winners in the 'paintings' category. The National Football Museum was successful in applying for two further pots of funding to acquire this painting (Art Fund and ACE/V&A Purchase Grant Fund)
- Peter Laszlo Peri – *Boys Playing Football* original maquette for the architectural relief on Wareham House, Lambeth Estate, London, pigmented concrete (circa 1949)
- Bonar Dunlop – *Aerial Challenge*, bronze sculpture on marble base (mid-late 1980s)

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Sporting Heritage Network- Arts Council England

The purpose is to establish a subject specialist network.

Acquisitions/ Accessioning

A total of 2324 objects have been documented and formally accessioned into the Museum collections since September 2017.

Hall of Fame Supported by the PFA (Professional Football Association) and the FA

The Hall of Fame, founded in 2002, is to be relaunched in 2019 as part the new strategic approach to champion diversity including the 50% pledge to represent women in football.

Moving away from the traditional annual dinner a new selection panel has been created and inductees will be recognised for their outstanding contribution at events throughout the year.

The new Hall of Fame will include a Hall of Fame exhibition at the museum and creation of content to be used with National Football Museum Community. Future plans are to create a international touring exhibition to celebrate the inductees as role models.

National Football Museum (NFM) Community

In 2018 the People and Communities department was rebranded to become National Football Museum Community to bring us in line with Football in the Community schemes operated by professional clubs across England and Wales.

Linked to our new vision the new focus is about attracting the community to the museum for specialist and inclusive activities.

The key impact areas of the department are across inspiring learning about football's diverse heritage, increasing participation in cultural activity and increasing representation from protected characteristics in the community

NFM Community currently has the following areas of delivery: Age Friendly, Families and Adults, Volunteers and Education.

Volunteers

127 volunteers engaged in activities across Visitor Experience, Collections, Marketing, Finance, Public Programmes, Administration and Projects, Events and Retail as well as in our collections store and archives in Preston.

We always aim to support our volunteers in to paid work or further training. Between April 2018 and March 2019, we had 6 volunteers progress in to paid roles within the National Football Museum. 3 of these volunteers now work as paid Interpreters within our Visitor Engagement team and 3 work within our Retail and Admissions department. We also had volunteers progress in to paid roles outside of the museum, including with AXA Insurance and the Manchester United Museum, as well as roles within the finance, retail and HR sectors.

Volunteers this year have also progressed into further training and development with the Princes Trust and an apprenticeship scheme within the engineering sector.

Education

NFM Community offers a comprehensive programme of activities responding to the National Curriculum. Currently the following Education activities are the most popular: Going to the Match (KS2), Women, Football & Society (KS4), The Early History of Football (KSS) and Football Poetry with Paul Cookson (KS2/KS3) were our most popular.

2018/19 we recorded 565 school visits, totalling 17,540 visitors.

These include: Primary, Secondary, College, University & Language Schools.

Adult Provision

A wide variety of partnerships and activities have taken place throughout the year including:

- Formal adult learning using First Division Maths, both in the Museum and as outreach

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- Informal family learning using First Division and Storytelling with a literacy focus, both in the Museum and as outreach
- English for Speakers of Other Languages (ESOL) education for adults with low levels of English language using the Museum collections to promote conversation
- Achieve Your Goals was a project that delivered learning programmes to raise vocational and life skills and was funded by Manchester City Council

Age Friendly

The Museum delivers three Age Friendly workshop groups supported by Sporting Memories and a range of dedicated initiatives including trails and talks.

Heritage Assets Valuation

Heritage assets are held on the balance sheet at a value of £1,247,362. A professional valuation was completed in November 2018.

Heritage assets are initially recognised at the cost of purchase or the carrying amount of assets exchanged and any cash settlements made or payable at the date the charity assumed legal title or control of the acquired asset. Donated collection items are capitalised at their estimated market value. For further details on the accounting policy, see note 1.

Depreciation of exhibitions capitalised, as outlined in net incoming/outgoing resources, whilst being recorded in the accounts, has no cash effect and is added back to illustrate the real net income.

The depreciation charge for the year included in the Consolidated Statement of Financial Activities was £112,682 (2018: £87,179).

Conclusion

Taking out depreciation, a non-cash item, the Museum made a cash inflow during the period of £40,722 (2018: outflow £264,883).

The Museum continues to go through a process of great change most notably moving to a charging model in January 2019 in response to reductions in funding from Manchester City Council and a need to increase investment in core activities including Community engagement and exhibitions development.

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation given past performance and reserves levels that the Museum has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Financial review

Principal Risks and Uncertainties

The Trust operates a Finance and Audit Committee chaired by Steven Broomhead and supported by Clive Memmott.

Risk is measured through a traffic lights system by likelihood of occurring and impact if it does occur. Amber risks are brought to the board with monitoring reports and responded to by Trustees if there are any changes. Principal risks for the Museum are:

1. Reduction in funding from Manchester City Council.
There is a planned reduction in place and regular meetings take place between the Leadership Team and Council officials. Aim 4 of the strategic plan focuses on diversifying funding to reduce the reliance on the current core funding model.
2. Commercial Contracts
Commercial contracts that the Museum have entered into during this period have been complex to manage regarding drawing down sustainable revenues. This has been mitigated through legal advice and new management structures

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3. Charging model

The Museum is introducing a charging model in 2019 and have employed a Chief Operating Officer to lead on this to manage communications and ensure that the museum efficiently manages the transition. With a high percentage of international visitors and having achieved £313,566 through admission packages in 2017/18 the Museum is confident that it will achieve its charging targets however there is a risk the visitor numbers may fall initially.

Tragically, on 22 May 2018, a terror attack was made at the Museum's neighbour the Manchester Arena. NFM staff played a part in supporting those involved and as part of the repercussions the Museum was forced to close for two weeks.

Plans for the future

Future developments

The main focus will be upon putting a value on the NFM's services through a charging model and achieving funding and sponsorship to achieve the new vision.

With a more clearly defined purpose the NFM are set to become the place to be to share stories about football and deliver both community and public programmes which will make a difference to our visitors both in Manchester but also digitally around the country and the world.

General

The financial statements for the Museum for the year ended 31 March 2019 highlight the sixth complete financial year of trading for the Museum at its home in Manchester and a consolidation of the trading company activity since the move from Preston to Manchester. All funding arrangements are in place and Manchester City Council will continue with a direct grant funding arrangement. The Museum generated strong commercial income throughout the year.

Detailed

Total unrestricted income generated within the year was £2,928,319 of which £1,650,000 was received from Manchester City Council. The Museum met the balance of expenditure through small grants from other public bodies, and through trading and charitable activities particularly in its subsidiaries.

Funding Issues and Financial Management

The long-term funding agreement with Manchester City Council is in place ensuring the Museum's future. All financial policies and procedures have been introduced and presented to management to protect profitability of the Museum, reduce fixed costs and departmentalise the monthly figures, giving the managers more autonomy in their department.

Pay policy for senior staff

The Directors consider the Board of Directors, who are the Charity's Trustees, and the senior leadership team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. All Trustees give of their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in notes 12 and 26 to the accounts.

The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, the Directors benchmark against pay levels in other museums of a similar size run on a voluntary basis. The remuneration bench-mark is the mid-point of the range paid for similar roles adjusted for a weighting of up to 30% for any additional responsibilities. If recruitment has proven difficult in the recent past a market addition is also paid with the pay maximum no greater than the highest benchmarked salary for a comparable role.

In 2019 The leadership team instructed Croner to do a review of all salaries and wages across the organisation and recommend entry and target bands as bench marked against other cultural organisations, locally and nationally.

The objective is to bring all staff to entry level by September 2019 with a staggered progression towards target level during the life of the strategic plan.

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Subsidiary companies

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

Heritage assets

The Museum owns six collections of major historical significance. Details of the individual collections are included within note 5 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 21 in the financial statements and summarises the period's movements on each fund.

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

Risk management

The Museum has a Risk Register, which is reviewed regularly, by the Finance and Audit committee.

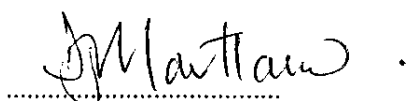
Auditor

The auditor, KPMG LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006. In approving the Trustees' Annual Report, the Trustees have also approved the Strategic Report, in their capacity as directors of the charitable Company.

Disclosure of information to auditor

The Trustees who held office at the date of approval of this Trustees' report confirm that, so far as they are each 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 company's auditor is aware of that information.

This report was approved by the board on 6/12/2019 and signed on its behalf by



Mr DJ Martland-Secretary
Urbis Building
Cathedral Gardens
Manchester
M4 3BG

Statement of responsibilities of the Trustees of The National Football Museum Limited in respect of the Trustees' annual report and the financial statements

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they have are required to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of the group's excess of income over expenditure for that period. In preparing each of the group and charitable company 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of The National Football Museum Limited

Opinion

We have audited the financial statements of The National Football Museum Limited ("the charitable company") for the year ended 31 March 2019 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charitable Company Balance Sheet, Consolidated Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2019 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the charitable company or to cease their operations, and as they have concluded that the group and charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the trustees' conclusions, we considered the inherent risks to the group's business model, including the impact of Brexit, and analysed how those risks might affect the group and charitable company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the charitable company will continue in operation.

Other information

The trustees are responsible for the other information, which comprises Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Annual Report for the financial year, is consistent with the financial statements; and

- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- the charitable company has not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 14, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.



Timothy Cutler (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 St Peter's Square

Manchester

United Kingdom

M2 3AE

12 DECEMBER 2019

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2019

		Unrestricted Funds £	2019 Restricted Funds £	Total Funds £	2018 Total Funds £
	Note				
Income					
Donations and legacies	3	333,148	-	333,148	525,694
Charitable activities	4	1,650,000	125,190	1,775,190	1,674,734
Trading activities	5	945,000	-	945,000	825,964
Other income	6	171	-	171	23
Total income		2,928,319	125,190	3,053,509	3,026,415
Expenditure					
Raising funds		370,624	-	370,624	515,343
Charitable activities		2,249,393	369,660	2,619,053	2,516,886
Total expenditure	7	2,620,017	369,660	2,989,677	3,032,229
Net income/(expenditure)		308,302	(244,470)	63,832	(5,814)
Transfers		-	-	-	-
Losses on revaluation of fixed assets		-	-	-	(597,448)
Net movement in funds		308,302	(244,470)	63,832	(603,262)
Reconciliation of funds					
Balances brought forward		221,854	4,109,443	4,331,297	4,934,559
Balances carried forward		530,156	3,864,973	4,395,129	4,331,297

All of the results are derived from continuing activities. All gains and losses are recognised in the year are included in the above. The surplus for the year for Companies Act purposes comprises the net incoming resources for the year net of unrestricted profits and losses on investments and was a profit of £63,832 (2018: Loss of £603,262).

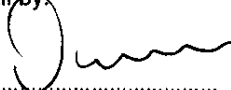
The accompanying notes form part of the financial statements.

THE NATIONAL FOOTBALL MUSEUM
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2019

	Notes	Unrestricted Funds £	2019 Restricted Funds £	Total Funds £	2018 Total Funds £
Fixed Assets					
Tangible assets	14	179,620	3,130,336	3,309,956	3,422,638
Heritage assets	15		1,247,362	1,247,362	1,247,362
Investments	16	1	-	1	-
		<u>179,621</u>	<u>4,377,698</u>	<u>4,557,319</u>	<u>4,670,000</u>
Current Assets					
Stocks	17	33,789	-	33,789	52,220
Debtors	18	90,336	-	90,336	126,175
Cash at bank and in hand		338,504	44,836	383,340	342,618
		<u>462,629</u>	<u>44,836</u>	<u>507,465</u>	<u>521,013</u>
Creditors: Amounts falling due within one year	19	(112,094)	(157,561)	(269,655)	(459,716)
Net current assets/(liabilities)		<u>350,535</u>	<u>(112,725)</u>	<u>237,810</u>	<u>61,297</u>
Total Assets Less Current Liabilities		<u>530,156</u>	<u>4,264,973</u>	<u>4,795,129</u>	<u>4,731,297</u>
Creditors: Amounts falling due after more than one year	20	-	(400,000)	(400,000)	(400,000)
Net Assets		<u>530,156</u>	<u>3,864,973</u>	<u>4,395,129</u>	<u>4,331,297</u>
Funds					
Unrestricted funds	21	530,156	-	530,156	221,854
Restricted funds	22	-	3,864,973	3,864,973	4,109,443
		<u>530,156</u>	<u>3,864,973</u>	<u>4,395,129</u>	<u>4,331,297</u>

The accompanying notes form part of the financial statements.

These consolidated financial statements were approved by the board of trustees on 6 December 2019 and signed on their behalf by:


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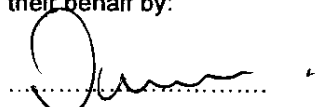
Mr IR Penrose -Trustee
Company Number: 03070670

**CHARITABLE COMPANY BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	Unrestricted Funds £	2019 Restricted Funds £	Total Funds £	2018 Total Funds £
Fixed Assets					
Tangible assets	14	179,620	3,130,336	3,309,956	3,422,638
Heritage assets	15		1,247,362	1,247,362	1,247,362
Investments	16	3	-	3	2
		179,623	4,377,698	4,557,321	4,670,002
Current Assets					
Stocks	17	-	-	-	-
Debtors	18	527,533	-	137,067	170,458
Cash at bank and in hand		280,313	44,836	325,149	290,805
		807,846	44,836	462,216	461,263
Creditors: Amounts falling due within one year	19	(466,776)	(157,561)	(233,871)	(399,968)
Net Current Assets/(Liabilities)		341,070	(112,725)	228,345	61,295
Total Assets Less Current Liabilities		520,693	4,264,973	4,785,666	4,731,297
Creditors: Amounts falling due after more than one year	20	-	(400,000)	(400,000)	(400,000)
Net Assets		520,693	3,864,973	4,385,666	4,331,297
Funds					
Unrestricted funds	21	520,693	-	520,693	221,854
Restricted funds	22	-	3,864,973	3,864,973	4,109,443
		520,693	3,864,973	4,385,666	4,331,297

The accompanying notes form part of the financial statements

These financial statements were approved by the Board of Trustees on 6 December 2019 and are signed on their behalf by:



Mr I R Penrose – Trustee

Company Number: 03070670

THE NATIONAL FOOTBALL MUSEUM

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019		2018	
		£	£	£	£
Cash provided by/(used in) operating activities	1		40,551		264,860
Cash flows from investing activities					
Interest received		171		23	
Net cash provided by/(used) in investing activities					
			171		23
Net increase/(decrease) in cash and cash equivalents			40,722		264,883
Cash and cash equivalents at beginning of year			342,618		77,735
Cash and cash equivalents at end of year			383,340		342,618

The accompanying notes form part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT (continued)

FOR THE YEAR ENDED 31 MARCH 2019

1 Reconciliation of net movement in funds to net cash flow from operating activities

	2019 £	2018 £
Net (outgoing)/incoming resources	63,832	(5,814)
Interest received	(171)	(23)
Depreciation	112,682	87,179
Decrease/(increase) in stocks	18,431	9,326
Decrease/(increase) in debtors	426,305	168,300
Increase/(decrease) in creditors	(580,528)	5,892
Net cash inflow/(outflow) from operating activities	<u>40,551</u>	<u>264,860</u>

2 Analysis of net funds

	1 April 2018 £	Cashflow £	31 March 2019 £
Cash at bank and in hand	342,618	40,722	383,340
Debt due after one year	(400,000)		(400,000)
Net (debt)/funds	<u>(57,382)</u>	<u>40,722</u>	<u>(16,660)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Legal form

The National Football Museum is a charitable company limited by guarantee as defined by the Companies Act 2006, incorporated in England and Wales. The registered office is Urbis Building, Cathedral Gardens, Manchester, M4 3BG.

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) which became effective 1 January 2015 and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The National Football Museum meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Basis of consolidation

The consolidated financial statements incorporate all assets and liabilities and income and expenditure of the wholly owned non-charitable subsidiaries.

As a consolidated Statement of Financial Activities is published, no separate Statement of Financial Activities for the charity alone has been presented as permitted by Section 408 of the Companies Act 2006.

Preparation of the accounts on a going concern basis

The Trustees have at the time of approving the financial statements, a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

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. Restricted grants are classified as charitable activities.

Donations and all other receipts from fundraising are reported gross and the related fundraising costs are reported in other expenditure. Cash collections to which the charity is entitled but which it has not received by the year end are included in incoming resources in the statement of financial activities and shown as debtors in the balance sheet. Investment income is accounted for when receivable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1.Incoming resources (continued)

Grants relating to fixed asset purchases are credited in full to the statement of financial activities in the year in which they are receivable. 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.

Trading income comprises Royalties and image sales, sponsorship, shop takings, commissions, visitor income and interactive sales is included at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), no amounts are included in the financial statements for services donated by volunteers.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Resources expended

Fund accounting

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.

Expenditure is classified under the following activities:

- Expenditure on raising funds are those costs incurred in attracting voluntary income, fundraising and trading activities undertaken by the subsidiaries.
- Expenditure on charitable activities are those costs incurred in running and operating the charitable Museum.
- Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. The basis on which support costs are allocated are set out in note 8.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1 Accounting policies (continued)

The group has a number of restricted income funds to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose.

All other funds are unrestricted income funds which are available for use in furtherance of the general objectives of the charity. Designated funds are unrestricted funds set aside for particular purposes.

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*.

Tangible fixed assets and depreciation

Tangible fixed assets costing more than £100 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.

Impairment

At each reporting period end date, the Charity reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in *Statement of Financial Activities*.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1 Accounting policies (continued)

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 the 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. Impairment reviews are carried out frequently in respect of such assets. The policy for acquisition, preservation, management, and disposal of heritage assets includes records maintained by the entity of its collection of heritage assets and information on the extent access to the assets is permitted.

The carrying amount of heritage assets at the beginning of the financial period and at the balance sheet date, are reported at cost or valuation including an analysis between classes or groups of relevant heritage assets. There has been an external valuation carried out by Art & Antiques Appraisals, finalised 15 November 2018. The collection has been valued at a mid-estimated auction value.

Investments

In the parent company financial statements, investments in subsidiaries and associated are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete to sell. Costs comprise direct materials and, where applicable, direct labour costs and those overheads have been incurred in bringing the stocks to their present location and condition. Stocks are measured using the first in first out method of accounting.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit and loss.

Operating leases

Rentals payable under operating leases, including any lease incentives received, are charged against income on a straight-line basis over the lease term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1 Accounting policies (continued)

Employee benefits

The group operates group personal pension arrangements. Contributions payable are charged to the Statement of Financial Activities in the year they are payable.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Taxation

The Company is a registered charity and consequently there is no liability to taxation.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts allowed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1 Accounting policies (continued)

Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 Results of the parent company

As permitted by Section 408 of the Companies Act 2006 these accounts do not include a separate SOFA for the parent charity. The results of the parent charity alone (including gift aid receipts from its subsidiaries, as detailed in note 16) are:

	2019	2018
	£	£
Incoming resources	2,247,349	2,602,231
Resources expended	(2,669,208)	(2,608,045)
Net (outgoing)/ incoming movement in funds	<u>(421,859)</u>	<u>(5,814)</u>

3 Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Other grants and donations	333,148	-	333,148	525,694
	<u>333,148</u>	<u>-</u>	<u>333,148</u>	<u>525,694</u>

In the previous year, all of the income from charitable activities was unrestricted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4 Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Grants	1,650,000	125,190	1,775,190	1,674,734
	<u>1,650,000</u>	<u>125,190</u>	<u>1,775,190</u>	<u>1,674,734</u>

In the previous year, income from charitable activities comprised of £24,734 of restricted income and £1,650,000 of unrestricted income.

5 Income from trading activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Royalties and image sales	9,894	-	9,894	1,150
Sponsorship	-	-	-	35,067
Shop takings	507,543	-	507,543	495,923
Commissions	43,504	-	43,504	92,807
Visitor Income	290,230	-	290,230	107,786
Interactive Sales	93,829	-	93,829	93,231
	<u>945,000</u>	<u>-</u>	<u>945,000</u>	<u>825,964</u>

In the previous year, all of the income from trading activities was unrestricted.

6 Other income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Bank interest	<u>171</u>	<u>-</u>	<u>171</u>	<u>23</u>

In the previous year, all of the other income was unrestricted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7 Total resources expended

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Expenditure on raising funds				
Purchases for resale	255,214	-	255,214	341,701
Other cost of sales	18,315	-	18,315	32,566
Costs of events	755	-	755	2,236
Wages and national insurance	96,340	-	96,340	138,840
	370,624	-	370,624	515,343
Expenditure on charitable activities				
Wages and national insurance	858,056	-	858,056	1,017,579
Pension costs	73,085	-	73,085	47,649
Education	4,577	-	4,577	596
Training	1,078	-	1,078	3,755
Rents, rates and water	80,140	-	80,140	21,348
Heat and light	254,301	-	254,301	183,517
Insurance	58,401	-	58,401	58,558
Repairs and maintenance	241,763	-	241,763	315,358
Cleaning	127,008	-	127,008	20,422
Exhibition costs	48,068	285,946	334,014	261,299
Marketing costs	69,035	-	69,035	95,440
Telephone	45,297	-	45,297	63,013
Printing, postage and stationery	11,003	-	11,003	31,972
Motor and travel expenses	13,644	-	13,644	30,530
Bad debts	12,895	-	12,895	(928)
General expenses	59,654	-	59,654	57,955
Software support	21,741	-	21,741	13,702
Bank charges	13,179	-	13,179	12,309
Legal and professional	65,023	-	65,023	58,079
Governance and support costs (note 8)	162,477	-	162,477	137,555
Depreciation - leasehold improvements	1,686	82,590	84,276	83,508
Depreciation - permanent exhibitions	10,120	1,124	11,244	(20,199)
Depreciation - fixtures	17,162	-	17,162	23,869
	2,249,393	369,660	2,619,053	2,516,886
	2,620,017	369,660	2,989,677	3,032,229

In the previous year total resources expended comprised of £235,551 of restricted expenditure and £2,796,678 of unrestricted expenditure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8 Support and governance costs

	General support £	Governance function £	Total £	Basis of apportionment
Wages and national insurance	79,090	44,084	123,174	Allocated on time
Audit and accountancy	-	36,091	36,091	Governance
Insurance	-	3,212	3,212	Governance
	<u>79,090</u>	<u>83,387</u>	<u>162,477</u>	

9 Analysis of expenditure on charitable activities

The total expenditure on charitable activities of £2,619,053 (2018: £2,516,886) all relates to the sole charitable activities of running the Museum.

10 Summary of analysis of expenditure and related income for charitable activities

	Running of Football Museum	Total
Costs	(2,619,053)	(2,619,053)
Grants and donations	<u>2,108,338</u>	<u>2,108,338</u>
Net expenditure from charitable activities	<u>(510,715)</u>	<u>(510,715)</u>

11 Net Incoming Resources

	2019 £	2018 £
Cost of stock recognised as an expense	255,214	341,701
Depreciation of owned fixed assets	112,682	87,179
Operating lease rentals	25,840	22,406
Auditor's remuneration		
Audit fees (group excluding the company)	15,000	21,000
Other services	-	27,193
Audit of the Company	<u>15,000</u>	<u>11,420</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**12 Analysis of staff costs, Trustee remuneration and expenses and the cost of key management personnel**

The aggregate payroll costs were:

	2019 £	2018 £
Wages and salaries	1,027,470	1,250,957
Social security costs	77,835	98,829
Pension costs	73,085	47,649
	<hr/> 1,178,390 <hr/>	<hr/> 1,397,435 <hr/>

One member of staff was paid an annual salary of over £60,000 during the year (2018: one). Pension contributions in respect of the above employee totaled £9,578 for the year (2018: £75). No members of staff were paid an annual salary over £80,000 during the current or previous year.

Key management personnel were paid a total of employee benefits of £148,815 (2018: £291,838) during the year.

The Trustees received no remuneration from a charitable group. A total of £730 (2018: £1,053) was paid to two trustees (2018: two) 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 of default on their part amounted to £1,906 (2018: £1,702).

Redundancy payments of £nil (2018: £10,969) were incurred during the year. At the year end, redundancy payments of £nil (2018: £nil) were outstanding.

13 Staff numbers

The average number of employees analysed by function was:

	2019 No	2018 No
Collections and learning	16	16
Visitor experience	40	46
Operations	8	6
	<hr/> 64 <hr/>	<hr/> 68 <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**13 Staff numbers (continued)**

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

	2019 No	2018 No
Collections and learning	4	6
Visitor experience	16	12
Operations	7	6
	<u>27</u>	<u>24</u>

14 Tangible Fixed Assets**Group and charitable company**

	Leasehold Improvements £	Permanent Exhibitions £	Plant & Office Equipment £	Total £
Cost				
At 1 April 2018	4,926,974	2,293,665	477,848	7,698,487
At 31 March 2019	<u>4,926,974</u>	<u>2,293,665</u>	<u>477,848</u>	<u>7,698,487</u>
Depreciation				
At 1 April 2018	1,575,774	2,246,728	453,347	4,275,849
Charge for the year	84,276	11,244	17,162	112,682
At 31 March 2019	<u>1,660,050</u>	<u>2,257,972</u>	<u>470,509</u>	<u>4,388,531</u>
Carrying amount				
At 31 March 2019	<u>3,266,924</u>	<u>35,693</u>	<u>7,339</u>	<u>3,309,956</u>
At 1 April 2018	<u>3,351,200</u>	<u>46,937</u>	<u>24,501</u>	<u>3,422,638</u>

Apart from general plant and office equipment, all of the above fixed assets are used for direct charitable purposes. Leasehold improvements include 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 Northwest Development Agency.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

15 Heritage assets**Group and charitable company**

	Collection Items £	Total £
Cost		
At 1 April 2018	1,247,362	1,247,362
Additions		
Loss on Revaluation of Fixed Assets		
At 31 March 2019	<u>1,247,362</u>	<u>1,247,362</u>
Carrying amount		
At 31 March 2019	<u>1,247,362</u>	<u>1,247,362</u>
At 1 April 2018	<u>1,247,362</u>	<u>1,247,362</u>

The National Football Museum has the greatest publicly held collection on football in the world, totalling over 140,000 items. The collection has been awarded Designation status by Arts Council England, which means that it is officially recognised as a collection of both national and international significance.

The Museum has a detailed Collections Development Policy, which has been approved by the Arts Council, the Government body responsible for promoting standards in the museums.

The museum has comprehensive insurance for all the collections held, both those on loan and those which are owned by the Museum.

One acquisition was made during August 2015, being the Chris Unger History of Women's Football Collection, totaling £154k. In 2014, a major acquisition was the statue of Michael Jackson, designed by Bill Mitchell, with a value of £120,000. This previously stood outside Fulham FC's Craven Cottage Stadium in London. It has been very kindly donated to the Museum by Mr Mohamed Al-Fayed. There have been no other movements in the heritage assets owned by the Museum over the previous five accounting periods.

The following six collections are owned by the Museum, with a number of other collections on loan to the Museum:

The FIFA Langton Collection

This collection was acquired in 1999 from FIFA with the assistance of a grant from the Heritage Lottery Fund. The collection reflects 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**15 Heritage assets (continued)****The Peoples' collection**

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

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 Chris Unger History of Women's Football Collection

In 2015 the Museum made a successful bid of the Heritage Lottery Fund to purchase the Chris Unger History of Women's Football Collection, the greatest collection on the history of women's football. The collection includes an exhaustive range of materials from balls, boots, medals and merchandising to printed ephemera, drawn from England, USA and 30 other countries.

16 Fixed asset investments

	Group		Charitable company	
	2019	2018	2019	2018
	£	£	£	£
Investments in subsidiaries			2	2
Investments in associates	1		1	
	<u>1</u>		<u>3</u>	<u>2</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16 Fixed assets investments (continued)

The Charitable Company has a 100% shareholding in each of the World Football Museum Limited (company number 04400619) and National Football Museum at Urbis (Trading) Limited (company number 07539263).

All companies are registered at the Urbis Building, Cathedral Gardens, Manchester M4 3AE and incorporated in England and Wales.

World Football Museum Limited and National Football Museum at Urbis (Trading) Limited have principal activities of commercial operations at the Preston and Manchester sites respectively. World Football Museum also have the principal activities of the production and promotion of overseas football exhibitions and related events and the evaluation of establishing a World Football Museum.

The details of the subsidiaries and the results for the year are as follows:

	2019	
	National Football Museum at Urbis (Trading) Limited £	World Football Museum Limited £
Turnover	935,108	9,894
Cost of sales and other direct costs	(259,076)	-
Administrative expenses	(199,803)	(431)
Profit/(loss) before gift aid	476,229	9,463
Gift aid to charity	(476,229)	
Profit/(loss) for the year	-	9,463

	2018	
	National Football Museum at Urbis (Trading) Limited £	World Football Museum Limited £
Turnover	824,815	1,150
Cost of sales and other direct costs	(374,268)	
Administrative expenses	(187,607)	(1,732)
Profit before gift aid	262,940	(582)
Gift aid from charity	(262,940)	-
Profit for the year	-	(582)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2019

16 Fixed assets investments (continued)

	National Football Museum at Urbis (Trading) Limited £	World Football Museum Limited £
Current assets	115,576	15,436
Current liabilities	(115,575)	(6,555)
Net assets	1	8,881
Ordinary £1 shares	1	1

2018

	National Football Museum at Urbis (Trading) Limited £	World Football Museum Limited £
Current assets	130,649	5,857
Current liabilities	(130,648)	(6,439)
Net assets	1	(582)
Ordinary £1 shares	1	1

17 Stock

	2019 £	2018 £
Stock	<u>33,789</u>	<u>52,220</u>

18 Debtors

	2019 £	Group 2018 £	Charitable company 2019 £	2018 £
Trade debtors	62,367	16,073	24,075	5,064
Taxation and social security	11,698	3,399	11,698	(11,544)
Other debtors	740	12,962	-	6,470
Prepayments	15,531	93,741	15,531	93,740
Amounts due from subsidiary	-	-	85,763	76,728
	<u>90,336</u>	<u>126,175</u>	<u>137,067</u>	<u>170,458</u>