

The National Football Museum

Annual report

Registered company number - 3070670

Registered charity number - 1050792

Year ended 30 June 2000



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Legal and administrative details

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

Charity registration number	1050792
Company registration number	3070670
Chairman	Mr BM Gray
Trustees	Mr BG Booth Mr K Cooper Mr D Davies (appointed November 2000) Mr D Fleming Mr CJ Newbery Councillor R Kinsella (non voting observer) Councillor H Parker (non voting observer)
Company secretary	Mr C Higginson
Registered office	Deepdale Stadium PRESTON Lancashire PR1 6RU
Bankers	The Cooperative Bank plc, Manchester
Solicitors	Brabner Holden Banks Wilson, Preston
Auditors	KPMG, Preston

Trustees' Report

The trustees, who act as directors for the purposes of company law, present their annual report and the audited financial statements for the year ended 30 June 2000.

Principal activities

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

Business review

This has been a year of significant progress for the Museum towards its opening in February 2001. Construction work on site has begun and has remained on target. The development of the displays has also moved forward on target. The Museum has drawn further amounts of the £7.5 million grant award from the Heritage Lottery Fund (HLF).

The collections have been significantly developed by the purchase of the Harry Langton Collection, made possible by an additional grant of £50,000 from the HLF; and the acquisition on loan of a further major collection of material from the Football League. In addition, over 500 items were donated by members of the public.

The management of the collections has been significantly enhanced, particularly through the full audit and documentation of the FIFA Museum Collection. The Museum has also produced a major publication for children.

The Museum continues to benefit from the generous support of the football bodies. Substantial financial support has been received from The Football Trust, The Football Foundation and the Professional Footballers Association.

Volunteers have continued to play a key role in the development of the project.

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

Results

The net incoming resources for the year ended 30 June 2000 amounted to £2,296,805.

Trustees

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

BM Gray (Chairman)
BG Booth
K Cooper
D Davies (appointed November 2000)
D Fleming
C Newbery

C Newbery and D Davies retire in accordance with the articles of association and, being eligible, offer themselves for re-election.

Trustees' Report

Guarantors

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

Auditors

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

By order of the trustees


BM Gray
Trustee

25 BMG
25 April 2001

Statement of trustees' responsibilities

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

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

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



Edward VII Quay
Navigation Way
Ashton-on-Ribble
PRESTON
PR2 2YF

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

We have audited the financial statements on pages 6 to 14.

Respective responsibilities of trustees and auditors

The trustees, who are also the directors of The National Football Museum for the purposes of company law, are responsible for preparing the trustees' report and, as described on page 4, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the trustees' report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charitable company as at 30 June 2000 and of the charitable company's incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG
Chartered Accountants
Registered Auditors

25 AMG
23 April 2001

Statement of financial activities

for the year ended 30 June 2000

	Notes	Restricted funds 2000 £	Unrestricted funds 2000 £	Total funds 2000 £	Total funds 1999 £
Incoming resources					
SRB Funding Grant		-	24,499	24,499	133,864
Other grants and donations	10	2,708,068	52,711	2,760,779	882,880
Other income		-	44	44	20
Total incoming resources	1	2,708,068	77,254	2,785,322	1,016,764
Resources expended					
Direct charitable expenditure	2	79,048	260,918	339,966	1,111,293
Management and administration costs	3	14,709	133,842	148,551	77,045
Total resources expended		93,757	394,760	488,517	1,188,338
Net incoming/(outgoing) resources for the year		2,614,311	(317,506)	2,296,805	(171,574)
Total funds brought forward		673	(130,313)	(129,640)	41,934
Total funds carried forward		2,614,984	(447,819)	2,167,165	(129,640)

All amounts relate to continuing operations.

Statement of total recognised gains and losses

for the year ended 30 June 2000

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

Balance sheet

as at 30 June 2000

	Note	2000 £	1999 £
Fixed assets			
Tangible assets	6	3,094,361	108,364
Current assets			
Debtors	7	1,637,608	522,388
Cash at bank and in hand		40,225	62,947
		<u>1,677,833</u>	<u>585,335</u>
Creditors: amounts falling due within one year	8	<u>(2,505,029)</u>	<u>(823,339)</u>
Net current liabilities		(827,196)	(238,004)
Creditors: amounts falling due after more than one year	9	(100,000)	-
Net assets/(liabilities)		2,167,165	(129,640)
Income funds			
Restricted funds	10	2,614,984	673
Unrestricted funds	11	(447,819)	(130,313)
		<u>2,167,165</u>	<u>(129,640)</u>

Approved by the Board of Trustees on ^{25 AMH} 23 April 2001 and signed on its behalf by:



BM Gray
Trustee

Notes

(forming part of the financial statements)

1 Accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): "accounting by charities" and applicable accounting standards.

Although unrestricted funds are in deficit, the financial statements have been prepared on a going concern basis. The trustees have prepared cash flow projections which include projected levels of grants and donations. On the basis of these, combined with the fact that Preston North End plc is providing financial support to the charitable company, the Trustees consider that the charitable company will continue to be able to meet its liabilities as and when they fall due in the foreseeable future. Therefore it remains appropriate to prepare the financial statements on a going concern basis.

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

Fixed assets and depreciation

Exhibition costs which relate to long term museum exhibitions are capitalised as permanent exhibitions in the charitable company balance sheet.

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

Improvements to leasehold property	-	over the remaining life of lease
Permanent exhibitions	-	3 to 10 years
Plant and office equipment	-	3 years

No depreciation has been charged on permanent exhibition assets during the year since these assets were not brought into use until after the year end.

Grants and other income

Grants and other income are 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. The cost of the relevant fixed asset is expended over its useful life by way of a depreciation charge to the relevant fund.

Notes (continued)

1 Accounting policies (continued)

Expenditure

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

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.

Collection items

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

Pension costs

The charitable company pays contributions to personal money purchase schemes for eligible employees and accounts for the amount due each year as a cost in the Statement of Financial Activities.

2 Direct charitable expenditure

Direct charitable expenditure may be analysed as follows:

	Restricted funds 2000 £	Unrestricted funds 2000 £	Total 2000 £	Total 1999 £
Collection item purchases	47,700	21,587	69,287	665,427
Exhibition costs	16,254	42,891	59,145	255,350
Museum reservation charges	-	138,292	138,292	134,289
Staff costs	-	24,000	24,000	-
Loan interest	-	19,526	19,526	26,499
Legal and professional fees	-	-	-	22,661
Depreciation	15,094	6,082	21,176	3,100
Other expenses	-	8,540	8,540	3,967
	<u>79,048</u>	<u>260,918</u>	<u>339,966</u>	<u>1,111,293</u>

Notes (continued)

3 Management and administration of the charitable company

Management and administration costs consist of:

	Restricted funds 2000 £	Unrestricted funds 2000 £	Total 2000 £	Total 1999 £
Salaries and office costs	8,804	79,422	88,226	58,239
Legal and professional fees	-	20,752	20,752	7,402
Accountancy fees	-	1,500	1,500	-
Postage, stationery and advertising	-	5,592	5,592	3,112
Rent payable	-	15,858	15,858	2,825
Marketing	-	-	-	1,685
Leasing costs	-	965	965	1,420
Depreciation	18	1,911	1,929	694
Other expenses	5,887	7,842	13,729	1,668
	<u>14,709</u>	<u>133,842</u>	<u>148,551</u>	<u>77,045</u>

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

4 Staff numbers and costs

The trustees received no remuneration from the charitable company (1999: *sundry expenses of £188*)

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

	2000 Number	1999 Number
Management and administration	2	2
Research and collections development	2	-
	<u>4</u>	<u>2</u>

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

	2000 £	1999 £
Wages and salaries	91,726	45,654
Social security costs	8,232	3,760
Other pension costs	4,037	3,476
	<u>103,995</u>	<u>52,890</u>

Notes (continued)

5 Tax on profit on ordinary activities

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

6 Tangible fixed assets

Assets held for the charitable company's use

	Improvements to leasehold property	Permanent exhibitions	Plant and office equipment	Total
	£	£	£	£
Cost				
At beginning of year	108,236	-	4,026	112,262
Additions	2,506,492	498,489	4,121	3,009,102
At end of year	2,614,728	498,489	8,147	3,121,364
Depreciation				
At beginning of year	3,100	-	798	3,898
Charge for year	21,176	-	1,929	23,105
At end of year	24,276	-	2,727	27,003
Net book value				
At 30 June 2000	2,590,452	498,489	5,420	3,094,361
At 30 June 1999	105,136	-	3,228	108,364

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

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

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

7 Debtors

	2000 £	1999 £
Grants and donations outstanding	1,335,214	153,180
Tax recoverable on donations	12,672	672
Taxation and social security	254,722	18,536
Other debtors	35,000	350,000
	<u>1,637,608</u>	<u>522,388</u>

Notes (continued)

8 Creditors: amounts falling due within one year

	2000 £	1999 £
Other loans	446,915	531,623
Trade creditors	2,020,338	264,068
Accruals	37,776	27,648
	<u>2,505,029</u>	<u>823,339</u>

Included within other loans is a loan of £100,000 which is secured on future grant income.

9 Creditors: amounts falling due after more than one year

	2000 £	1999 £
Other loans (all due within five years)	100,000	-
	<u>100,000</u>	<u>-</u>

Other loans due after more than one year relate to an interest free loan of £100,000 which is all repayable in 2004.

10 Restricted funds

	As at 1 July 1999 £	Received in year £	Expenses in year £	As at 30 June 2000 £
HLF Grant – Capital	-	2,651,564	(37,253)	2,614,311
HLF Grant re Langton collection	-	47,700	(47,700)	-
Feuer & Flamme	-	8,314	(8,314)	-
Millennium Award Grant	-	490	(490)	-
Sculpture donations	673	-	-	673
	<u>673</u>	<u>2,708,068</u>	<u>(93,757)</u>	<u>2,614,984</u>

The 'HLF Grant – Capital' fund relates to capital grants received. The cost of the relevant assets will be depreciated over their useful lives, with the amount deducted from the restricted fund.

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

Notes (continued)

11 Unrestricted funds

	£
As at 1 July 1999	(130,313)
Movement in resources	(317,506)
As at 30 June 2000	<u>(447,819)</u>

The implication of the deficit of unrestricted funds is explained in note 1 to the financial statements.

12 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds 2000
	£	£	£
<i>Fund balances at 30 June 2000 represented by:</i>			
Tangible fixed assets	480,050	2,614,311	3,094,361
Current assets	1,677,160	673	1,677,833
Liabilities	(2,605,029)	-	(2,605,029)
	<u>(447,819)</u>	<u>2,614,984</u>	<u>2,167,165</u>

There are sufficient assets held to cover the level of restricted funds.

13 Commitments

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

	2000	1999
	£	£
Land and buildings - expiring after 5 years	130,000	130,000
Other - expiring within 2 to 5 years	1,040	1,040

14 Share capital

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

Notes *(continued)*

15 Related party transactions

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

During the year, expenditure has been accrued of £138,000 *(1999: £136,000)* for the reservation of elements of the Deepdale Stadium. At the year end £186,000 *(1999: £181,000)* is owed to PNE in respect of this reservation charge.

At the year end PNE is owed an amount of £160,000 *(1999: £350,000)* towards the construction costs of the Deepdale Stadium. Interest is paid on the amount outstanding at a rate equal to bank base rate plus 5%.