

Company Registered Number: 04007132

THE FOOTBALL STADIA IMPROVEMENT FUND LIMITED

Annual Report and Financial Statements
for the year ended 31 May 2009

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Annual Report and Financial Statements for the year ended 31 May 2009

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The Football Stadia Improvement Fund Limited

Directors and Advisers

Directors

R F Burden *
Rt Hon Richard Caborn MP
J P B Hall
P D McCormick
R C Scudamore *
Lord Triesman
C R Sherling

*Member of Audit and Remuneration Committee

Bankers

Barclays Bank PLC
Hanover Square Corporate Banking Group
50 Pall Mall
London
SW1A 1QD

Secretary

R W Booker

Registered office

30 Gloucester Place
London
W1U 8FF

Solicitors

Bates, Wells & Braithwaite
Cheapside House
138 Cheapside
London
EC2V 6BB

Registered auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

The Football Stadia Improvement Fund Limited

Directors' report for the year ended 31 May 2009

The directors present their report and the audited financial statements of the company for the year ended 31 May 2009. The directors report has been prepared in accordance with the small companies regime of the Companies Act 2006.

Membership

The members of the company are The Football Association and The Premier League. The company is a Company Limited by Guarantee. Each member of the company undertakes to contribute such amount as may be required, not exceeding £1, to the company's assets if it should be wound up while they are a member or within one year after they cease to be members.

Principal activities

The principal activity of the company is to provide funding for activities relating to the safety and comfort of spectators at, and the re-development of football stadia.

Review of activities

The results for the year are set out in the profit and loss account on page 6. Both the level of activity and the year-end financial position were satisfactory. The directors expect the level of activity to be maintained over the next few years.

The Premier League and The Football Association have each committed to providing funding at least at the current level for a further two years, 2009/10 and 2010/11.

Capital donations received in the year are set out in note 11 to the financial statements, and include monies received from The Football Association and The F.A. Premier League.

Directors

Directors are appointed as follows:

The Football Association:	Two directors
The Premier League:	Two directors
Sport England:	One director
The Department for Culture, Media and Sport:	One director

The directors who all held office throughout the year and up to the date of signing these financial statements, except as noted, are given below:

R F Burden * (Acting Chairman until 8 August 2009)
Rt Hon Richard Caborn MP
Lord Giddens (resigned 17 September 2008)
J P B Hall (appointed 7 November 2008)
P D McCormick (appointed 22 October 2008)
Sir David Richards (Chairman, resigned 23 September 2008)
R C Scudamore *
C R Sherling (appointed and Chair from 8 August 2009)

The Football Stadia Improvement Fund Limited

P J Smith (appointed 22 October 2008)

Lord Triesman (resigned 5 November 2008)

The Directors would like to express their gratitude to the Directors who have served during the year and in particular to the outgoing Chairman, Sir David Richards, for his commitment and efforts over the first eight years of the Company's existence.

Financial risk management

The company's operations expose it to a variety of risks that include liquidity risk and interest rate risk. In view of the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The directors seek to manage these risks as follows:

Liquidity risk

The company operates with short term financing designed to ensure that the company has sufficient funds available for operation. The members have agreed to provide financial support to The Football Stadia Improvement Fund Limited, as and when required, up to the amount of working capital necessary to ensure that it is able to meet its debts as they fall due.

Interest rate risk

The company's bank facilities are subject to variable rates of interest with no hedging in place to manage exposure to changes in those rates. This policy will be revisited should the directors consider it necessary.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the

The Football Stadia Improvement Fund Limited

financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

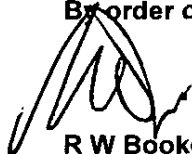
Statement of disclosure of information to auditors

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware, and they have taken all the steps they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of the information.

Auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

By order of the board



R W Booker

Company secretary

The Football Stadia Improvement Fund Limited

Independent auditors' report to the members of The Football Stadia Improvement Fund Limited

We have audited the financial statements of The Football Stadia Improvement Fund Limited for the year ended 31 May 2009 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 3-4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Sections 495 and 496 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2009 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

The Football Stadia Improvement Fund Limited

- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Alistair Rose (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
17 September 2009

The Football Stadia Improvement Fund Limited

Profit and loss account for the year ended 31 May 2009

	Notes	Year ended 31 May 2009 £'000	Year ended 31 May 2008 £'000
Income			
Interest received	3	14	100
Other income		-	83
Expenditure			
Operating expenses		<u>(539)</u>	<u>(578)</u>
Operating loss	2	(525)	(395)
Gift aid payment to The Football Foundation		<u>-</u>	<u>(72)</u>
Loss on ordinary activities before taxation		(525)	(467)
Taxation	6	-	-
Loss for the financial year	13	<u>(525)</u>	<u>(467)</u>

All activities are continuing.

The company had no gains or losses other than those included in the result above. Therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before taxation and the loss for the year stated above and their historical cost equivalents.

The notes on pages 9 to 15 form part of these financial statements.

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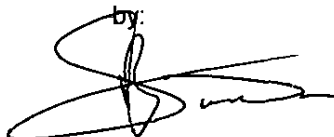
Balance sheet as at 31 May 2009

	Notes	31 May 2009 £'000	Restated 31 May 2008 £'000
Fixed assets			
Intangible assets	7	-	-
Current assets			
Debtors – due within one year	8	4,609	3,189
– due in more than one year	9	2,000	2,000
Cash on deposit		215	3,133
		6,824	8,322
Creditors: amounts falling due within one year	10	(10,079)	(11,052)
Net current liabilities		(3,255)	(2,730)
Total assets less current liabilities		(3,255)	(2,730)
Net liabilities		(3,255)	(2,730)
Reserves			
Profit and loss account	13	(3,255)	(2,730)

The notes on pages 9 to 15 form part of these financial statements.

The financial statements which comprise the profit and loss account, the balance sheet and the related notes were approved by the board of Directors and signed on its behalf on 17 September 2009

by:



Roger Burden
Director

The Football Stadia Improvement Fund Limited

Notes to the financial statements for the year ended 31 May 2009

1. Principal accounting policies

The financial statements have been prepared under the historical cost convention, in accordance with the Companies Act 2006 and with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Going concern

The Football Association and The Premier League have confirmed to the directors that they will provide funds over the next two years as part of their commitment to the company that will enable the company to meet the grant commitments that it has made in advance of the receipt of funding.

The Football Association and The Premier League have also confirmed that they will provide sufficient financial support to the company to enable it to meet its commitments as they fall due and for at least another twelve months after the date of signing these financial statements.

Cash flow statement

The company qualifies as a small company under the terms of Section 383 of the Companies Act 2006 and consequently has taken advantage of the exemption provided by FRS1 (Revised) relating to small companies and has not published a cash flow statement.

Goodwill

Negative goodwill represents the excess of the fair value over the consideration paid for assets acquired from The Football Trust. Negative goodwill has been credited to the profit and loss account on a straight-line basis over its expected useful economic life.

Donations

Capital donations received during the year are accounted for on cash received basis, and have been included in the movements in capital funds.

Grants

Grants payable are charged against capital funds the grant has been authorised and communicated to the recipient. This is deemed to have created a constructive liability as there are no significant conditions attached to payment of the grants.

Pension costs

The company makes payments into a personal pension scheme in respect of certain employees, the assets of which are held separately from those of the company in an independently administered fund. Contributions under this money purchase scheme are accounted for as they fall due for payment.

Deferred taxation

Provision is made for deferred taxation using the incremental liability method where the directors consider deferred taxation has a material impact on the financial statements. Material deferred tax assets are only recognised to the extent they are recoverable.

The Football Stadia Improvement Fund Limited

2. Operating loss

Operating loss is stated after charging:

	Year ended 31 May 2009	Year ended 31 May 2008
	£'000	£'000
Auditors' remuneration – for audit services	12	11
Auditors' remuneration – for non-audit services	7	5

3. Interest receivable

	Year ended 31 May 2009	Year ended 31 May 2008
	£'000	£'000
Bank interest received	14	100

4. Directors' emoluments

No directors were paid remuneration.

5. Employees and staff costs

	Year ended 31 May 2009	Year ended 31 May 2008
	£'000	£'000
Wages and salaries	291	253
Social security costs	31	26
Pension contributions	16	15
	338	294

	2009 Number	2008 Number
The average number of persons employed by the FSIF under joint contract with the Foundation during the year was:		
Administration	64	58

The employees of The Football Stadia Improvement Fund have joint contracts with The Football Foundation. A proportion of their costs incurred have been recharged to The Football Stadia Improvement Fund Limited by The Football Foundation as set out above.

The Football Stadia Improvement Fund Limited

6. Taxation

The Football Stadia Improvement Fund Limited covenants its taxable profit for the year to The Football Foundation, which is a registered charity. No liability to Corporation Tax therefore arises.

a. Analysis of charge in the year	Year ended 31 May 2009	Year ended 31 May 2008
	£'000	£'000
Current tax		
On losses for the year	-	-

b. Factors affecting the tax charge for the year	Year ended 31 May 2009	Year ended 31 May 2008
	£'000	£'000
Loss on ordinary activities before payment of deed of gift aid and taxation	(525)	(395)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008: 30%)	(147)	(119)
Expenses not deductible for tax purposes	-	141
Taxation on gift aid payments	-	(22)
Loss carried forward	(147)	-

c. Factors likely to effect future tax charges

The company covenants its taxable profits to The Football Foundation and is unlikely to attract tax charges in the foreseeable future.

A deferred tax asset has not been recognised on the basis that sufficient profits cannot be guaranteed at this stage of the company's development.

7. Intangible fixed assets

	Negative goodwill
	£'000
Cost	
At 1 June 2008 and 31 May 2009	343
Amortisation	
At 1 June 2008 and 31 May 2009	343
Net book value	
At 1 June 2008 and 31 May 2009	-

The negative goodwill, which arose on the acquisition of assets from The Football Trust, has been fully amortised over four years, this being the initial period over which The Football Stadia Improvement Fund received its share of funding from The Football Association, The Premier League and the Government.

The Football Stadia Improvement Fund Limited

8. Debtors due within one year

	31 May 2009	31 May 2008
	£'000	£'000
Loans to football clubs (see note 9)	-	77
Amount due from The Football Foundation Trading Limited	133	139
Amount due from The Football Foundation	2,023	-
Other debtors	12	4
Accrued capital funds (see note 11)	2,430	2,955
Prepayments and accrued income	11	14
	<u>4,609</u>	<u>3,189</u>

Amounts due to The Football Foundation are unsecured, are not interest bearing and have no fixed repayment date.

9. Debtors due within more than one year

	31 May 2009	31 May 2008
	£'000	£'000
Loans to football clubs	<u>2,000</u>	<u>2,000</u>

Loans to football clubs represent amounts advanced to certain Football League clubs. The loans are repayable over periods of up to ten years and are interest free and guaranteed by the Football League as appropriate.

10. Creditors: amounts falling due within one year

	31 May 2009	31 May 2008
	£'000	£'000
Grants payable	10,025	10,824
Trade creditors	17	11
Amounts due to The Football Foundation	-	176
Corporation tax payable	3	6
Accruals	34	35
	<u>10,079</u>	<u>11,052</u>

The Football Stadia Improvement Fund Limited

11. Capital Funds

	Littlewoods Spot the Ball account	Football Association Contribution account	Premier League Contribution account	Funds held for Wales and Northern Ireland (Note 12)	Total
	£'000	£'000	£'000	£'000	£'000
At 1 June 2008	333	(1,397)	(2,705)	814	(2,955)
Funds received	-	2,813	2,812	-	5,625
Interest received	-	-	-	14	14
Tax payable on interest	-	-	-	(4)	(4)
Less:					
Grants payable out of capital	-	(2,129)	(2,154)	-	(4,283)
Funds released	-	-	-	(820)	(820)
Expenses	-	-	-	(7)	(7)
Balance at 31 May 2009	333	(713)	(2,047)	(3)	(2,430)

Funds are paid out over a period as and when grants are made. This period can exceed one year, although certain amounts will be paid out in the succeeding financial year. The grants payable exceed the funds received, resulting in an overall capital deficit. The Football Association and The Premier League have confirmed that they will provide sufficient financial support to the company to enable it to meet its creditors as they fall due (see note 1). The above capital deficit has been recognised in the financial statements (note 8) as amounts immediately due to cover the company's grant over-commitment.

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12. Funds held for Wales and Northern Ireland

	Wales:	Northern Ireland:	Total
	Football Association of Wales Contribution account	Littlewoods Spot the Ball account	
	£'000	£'000	£'000
At 1 June 2008	744	70	814
Funds added	-	-	-
Interest received	14	-	14
Tax payable on interest	(4)	-	(4)
Less:			
Funds released	(750)	(70)	(820)
Expenses	(7)	-	(7)
Balance at 31 May 2009	(3)	-	(3)

13. Profit and loss account

	31 May 2009	31 May 2008
	£'000	£'000
At 1 June	(2,730)	(2,263)
Loss for the year	(525)	(467)
At 31 May	(3,255)	(2,730)

14. Commitments

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

15. Related party transactions

Sir David Richards and Mr R C Scudamore are the Chairman and Chief Executive of The Premier League respectively. The Premier League donated £2,812,500 (2008: £2,812,500) to The Football Stadia Improvement Fund during the year.

Sir David Richards and Mr Burden are directors of The Football Association. The Football Association donated £2,812,500 (2008: £5,625,000) to The Football Stadia Improvement Fund during the year.

As described in note 5, employees of The Football Stadia Improvement Fund have joint employment contracts with The Football Foundation and, accordingly, a portion of their costs incurred have been recharged to The Football Stadia Improvement Fund. In addition The Football Foundation recharges The Football Stadia Improvement Fund Limited for an agreed proportion of its running costs.

The Football Stadia Improvement Fund gifts (under gift aid) its taxable profit for the year to The Football Foundation, which is a registered charity.

The Football Stadia Improvement Fund Limited

16. Ultimate controlling party

Each of The Football Association and The F.A. Premier League control 50 per cent of The Football Stadia Improvement Fund Limited. Accordingly there is no ultimate controlling party.