

Company Registered Number: 04007132

THE FOOTBALL STADIA IMPROVEMENT FUND LIMITED

Annual Report and Financial Statements
for the year ended 31 May 2020



The Football Stadia Improvement Fund Limited

Annual Report and Financial Statements for the year ended 31 May 2020

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The Football Stadia Improvement Fund Limited Directors and Advisers

Directors

P D G McCormick OBE (Chairman)
M W Bullingham* (appointed on 19 September 2019)
W M Bush

*Replaced M R Glenn (resigned on 19 September 2019)

Chief Executive

P J Thorogood (resigned 31 March 2020)
R J Sullivan (appointed interim 1 April 2020)

Company Secretary

J Goodman*

*Replaced R Shah on
1 February 2020

Registered office

10 Eastbourne Terrace
Paddington
London
W2 6LG

Solicitors

Bates, Wells & Braithwaite LLP
10 Queen Street Place
London
EC4R 1BE

Independent auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Bankers

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

The Football Stadia Improvement Fund Limited

Directors' report for the year ended 31 May 2020

The Directors present their report and the audited financial statements of The Football Stadia Improvement Fund Limited (company number 4007132) for the year ended 31 May 2020. The Directors' report has been prepared in accordance with the special provisions in the Companies Act 2006 – part 15, relating to small companies.

The Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the year ended 31 May 2020 and is currently in force. The Company also has Directors' and Officers' liability insurance in respect of itself and its Directors.

The members of the company are the Premier League and The Football Association. 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 Football Stadia Improvement Fund Limited ("FSIF" or the "company") acts as an agent for the Premier League in passing on funding for activities relating to the safety and comfort of spectators at, and the redevelopment of, football stadia.

Review of activities

The results for the year are set out in the statement of income and retained earnings on page 10. Both the level of activity and the year-end financial position were satisfactory.

The Premier League has committed to providing £6.5m of funding for the next financial year 2020/21, and which it currently anticipates also being the level of funding for 2021/22. Capital contributions received from the Premier League in the year are set out in note 10 to the financial statements. Grants awarded during the year amounted to £8.7m (2019: £8.6m).

Going concern

The Premier League has confirmed to the Directors, in writing, that it will provide funds over the next financial year as part of their commitment to the company, which will enable it to meet the grant commitments that the company has made in advance of the receipt of funding. The Directors' policy is not to commit funds beyond known funding. As a result, the Directors consider that the going concern basis of accounting is appropriate as at and for the year ended 31 May 2020 financial statements.

Directors

Three Directors are appointed as follows:

Premier League:	One Director
The Football Association:	One Director
To be jointly appointed by the above Directors:	One Director who shall be the chairperson

The names of the Directors are set out on page 3. No Director held any beneficial interests in the shares of the company as at 31 May 2020 or at any time during the year.

The Football Stadia Improvement Fund Limited

Directors' report for the year ended 31 May 2020

Financial risk management

The company's operations expose it to a variety of risks, including liquidity 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 the liquidity risk by ensuring that the company operates with short-term financing which is designed to ensure sufficient funds are available for operation.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law). Under company law the Directors 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 company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors 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 keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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.

COVID-19 impact

Whilst the COVID-19 pandemic significantly impacted the Premier League, we have received confirmation from the Premier League that its funding into FSIF will be a minimum of £6.5m for 2020/21.

The Football Stadia Improvement Fund Limited

Directors' report for the year ended 31 May 2020

Directors' confirmations

In the case of each Director in office at the date the Directors' Report is approved:

- So far as the 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.

Approved by order of the Board of Directors


Jennie Goodman (Sep 17, 2020 17:50 GMT+1)

J Goodman

Company Secretary

16 September 2020

Reg no: 4007132

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

Report on the audit of the financial statements

Opinion

In our opinion, The Football Stadia Improvement Fund Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance sheet as at 31 May 2020; the Statement of income and retained earnings for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 May 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 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.

Other required reporting

Companies Act 2006 exception reporting


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

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.


Andrew Lowe (Sep 21, 2020 09:18 GMT+1)

Andrew Lowe (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
16 September 2020

The Football Stadia Improvement Fund Limited

Registered company number: 04007132

Statement of income and retained earnings for the year ended 31 May 2020

	Note	2020 £'000	2019 £'000
Income		637	474
Administrative expenses	5	<u>(637)</u>	<u>(474)</u>
Operating result	2	-	-
Interest receivable and similar income	3	<u>54</u>	<u>73</u>
Profit before taxation		54	73
Tax on profit	6	<u>-</u>	<u>-</u>
Profit for the financial year	12	54	73
Retained earnings brought forward at 1 June		<u>375</u>	<u>302</u>
Retained earnings carried forward at 31 May		429	375

All activities are continuing.

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

There is no material difference between the profit before taxation and the profit for the financial year stated above and their historical cost equivalents.

The notes on pages 12 to 18 form part of these financial statements.

The Football Stadia Improvement Fund Limited


Registered company number: 04007132

Balance sheet as at 31 May 2020

	Note	2020 £'000	2019 £'000
Current assets			
Debtors: amounts falling due within one year	7	-	6
Cash at bank and in hand		<u>9,630</u>	<u>6,171</u>
		9,630	6,177
Creditors: amounts falling due within one year	9	<u>(11,641)</u>	<u>(10,725)</u>
Net current liabilities		<u>(2,011)</u>	<u>(4,548)</u>
Debtors: amounts falling due after one year	8	<u>2,440</u>	<u>4,923</u>
Net assets		<u>429</u>	<u>375</u>
Capital and reserves			
Retained earnings	12	<u>429</u>	<u>375</u>
Total shareholders' funds	11	<u>429</u>	<u>375</u>

The notes on pages 12 to 17 form part of these financial statements.

The financial statements on pages 10 to 17 which comprise the statement of income and retained earnings, the balance sheet and the related notes were approved by the Board of Directors on 16 September 2020 and signed on its behalf by:


Peter McCormick OBE (Sep 17, 2020 17:55 GMT+1)

P D G McCormick OBE
Chairman

The Football Stadia Improvement Fund Limited

Notes to the financial statements

1. Principal accounting policies

General information

The Football Stadia Improvement Fund Limited ("FSIF") was incorporated in England and Wales in May 2000. The members of the company are the Premier League and The Football Association. 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.

FSIF acts as an agent for the Premier League in passing on funding for activities relating to the safety and comfort of spectators at, and the redevelopment of, football stadia.

The address of its registered office is 10 Eastbourne Terrace, Paddington, London W2 6LG.

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with United Kingdom applicable accounting and reporting standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") Section 1A, and the Companies Act 2006. The particular accounting policies adopted by the Board of Directors are applied consistently and are described below.

Currency

The company's functional and presentational currency is pounds sterling.

Income and expenditure

Income is accounted for on a receivable basis and expenditure is accounted for on an accruals basis. Interest receivable on the long term loan has been recognised in the year due to the expectation that this amount will be received. Interest is also receivable from cash held at bank.

Going concern

The Premier League has confirmed, in writing, to the Directors that it will provide funds over, at least, the next 12 months as part of their commitment to the company which will enable it to meet the grant commitments that the company has made in advance of the receipt of funding. External grant commitments are only ever made from the funds provided from the Premier League; therefore grants will never exceed the funds held by the company. As a result, the Directors consider that the going concern basis of accounting is appropriate as at and for the year ended 31 May 2020 financial statements.

Cash at bank and in hand

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

Cash flow statement

In line with FRS 102 section 1A.8 a cash flow statement is not required.

Capital contributions and grants payable

The company acts as an agent for the Premier League. Contributions received are recognised within Cash at bank and in hand with a corresponding creditor within the capital contribution account.

The Football Stadia Improvement Fund Limited

Notes to the financial statements

1. Principal accounting policies (continued)

Grants committed are deducted from the capital contribution account and recognised as grants payable when 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 grants made. Grants withdrawn are added back to the capital contribution account.

Deferred taxation

A 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.

Critical accounting judgements and key estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company has made no critical accounting judgements in the financial year. There is one accounting estimate relating to costs incurred by The Football Foundation and recharged to the company which includes key assumptions about the allocation of FSIF related costs between the two entities. The allocation method is reviewed annually to ensure that the amounts recharged are based on the best estimate of actual costs if they were incurred directly by the company.

2. Operating result is stated after charging:

	2020	2019
	£'000	£'000
Auditors' remuneration (exclusive of VAT) – for audit services	11	10
Auditors' remuneration (exclusive of VAT) – for tax services	5	5

3. Interest receivable and similar income

	2020	2019
	£'000	£'000
Loan interest	17	28
Bank interest	37	45
	54	73

A £2.0m loan was advanced to a former Football League club in February 2005 (note 8). At the year end this loan remains in place and remains outstanding and, as such, interest continues to accrue.

4. Directors' emoluments

No Directors were paid remuneration for the year ended 31 May 2020 (2019: £nil).

The Football Stadia Improvement Fund Limited

Notes to the financial statements

5. Administrative expenses

The Football Foundation made a charge of £0.6m (2019: £0.5m) to FSIF to cover salaries and other administrative costs incurred on the company's behalf. The remaining administrative expenses are costs directly incurred by FSIF.

Income relates to a share of the capital contribution received from the Premier League (note 10) which matches expenditure incurred in the financial year.

6. Tax on profit

a. Analysis of tax charge in the year

	2020	2019
	£'000	£'000
Current tax		
On profit for the financial year	-	-

b. Factors affecting the tax charge for the year

	2020	2019
	£'000	£'000
Profit before taxation	54	73
Profit multiplied by the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	10	14
Effects of:		
Expenses not deductible for tax purposes	97	72
Income not taxable	(121)	(90)
Losses carried forward	14	4
Tax charge	-	-

c. Factors likely to affect future tax charges

A deferred tax asset of £68,781 (2019: £49,061) has not been recognised on the basis that sufficient profits cannot be guaranteed at this stage of the company's development.

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. As the proposal to keep the rate at 19% had been substantively enacted at the balance sheet date, its effects are included in these financial statements, with the 19% rate therefore applied to all tax balance sheet items.

The Football Stadia Improvement Fund Limited

Notes to the financial statements

6. Tax on profit (continued)

Deferred tax asset calculation

	2020	2019
	£'000	£'000
Enacted corporate rate	19%	17%
Losses carried forward	362	289
Deferred tax asset	69	49

7. Debtors: amounts falling due within one year

	2020	2019
	£'000	£'000
Other debtors	-	2
Prepayments	-	4
	<u>-</u>	<u>6</u>

8. Debtors: amounts falling due after one year

	2020	2019
	£'000	£'000
Loan to former Football League club	2,000	2,000
Accrued income	<u>440</u>	<u>2,923</u>
	<u>2,440</u>	<u>4,923</u>

The loan represents an amount advanced to a former Football League club in February 2005. The loan is interest bearing and guaranteed by the club as appropriate. The current interest charged is 0.5% above the Bank of England base rate. Following completion of the New Community Stadium and the award of a long-term lease to the club (currently expected in 2020/21) the loan will be converted to a grant.

Reduction in accrued income from 2018/19 wholly related to Premier League funding of £2.5m remaining outstanding at 31 May 2019. This was subsequently paid in full during 2019/20.

The outstanding interest charges of £440k (2019: £423k), along with the FSIF's legal costs, are repayable following the sale of the club's existing stadium, Bootham Crescent to Persimmon Homes, who have the first option on Botham Crescent. This is currently expected in 2020/21.

The Football Stadia Improvement Fund Limited

Notes to the financial statements

9. Creditors: amounts falling due within one year

	2020	2019
	£'000	£'000
Grants payable	7,296	5,708
Other creditors	6	10
Amounts owed to The Football Foundation	598	388
Capital contributions uncommitted (see note 10)	3,716	4,592
Accruals	25	27
	11,641	10,725

10. Balance of capital contribution

	Premier League	Total
	£'000	£'000
At 1 June 2019	4,592	4,592
Funds receivable	8,500	8,500
New grants awarded	(8,739)	(8,739)
Management charge (note 5)	(637)	(637)
At 31 May 2020 (note 9)	3,716	3,716

The Premier League have confirmed, in writing, that the balance of capital contributions (funds received from the Premier League but for which grants have not yet been awarded by FSIF) is not repayable to the Premier League nor will be offset against future funds receivable.

11. Reconciliation of movements in shareholders' funds

	2020	2019
	£'000	£'000
Opening shareholders' funds	375	302
Profit for the financial year	54	73
Closing shareholders' funds	429	375

12. Retained earnings

	2020	2019
	£'000	£'000
At 1 June	375	302
Profit for the financial year	54	73
At 31 May	429	375

The Football Stadia Improvement Fund Limited

Notes to the financial statements

13. Commitments

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

14. Related party transactions

The Premier League contributed capital of £8.5m (2019: £6.5m) to FSIF during the year, of which nil (2019: £2.5m) remained outstanding at the year end.

Mr P D G McCormick OBE is an employee of the Premier League (Chairman of the Football Board), Senior Partner at McCormicks Solicitors (including position of Executive Chairman of the Legal Advisory Group to the Premier League), the Premier League nominated Director of The Football Association and a Trustee of The Football Foundation.

Mr W M Bush is an employee of the Premier League and a Trustee of The Football Foundation.

Mr M R Glenn was the Chief Executive of The Football Association. He is a Trustee and Chair of The Football Foundation.

Mr M W Bullingham is the Chief Executive of The Football Association and a Trustee of The Football Foundation.

Mr P J Thorogood was Chief Executive of The Football Foundation

Mr R J Sullivan is interim Chief Executive of The Football Foundation.

Employees of FSIF have joint employment contracts with The Football Foundation and therefore, while the company does not incur any direct salary costs, the salary costs incurred by The Football Foundation on the company's behalf form part of the annual administrative expenses recharged to the company, £0.6m in 2020 (2019: £0.5m).

15. Ultimate controlling party

The ultimate controlling parties are The Football Association Premier League Limited (number 02719699) and The Football Association Limited (number 00077797). Both companies are incorporated in England and Wales, with each holding 50 per cent control of FSIF respectively. The company is a Company Limited by Guarantee.