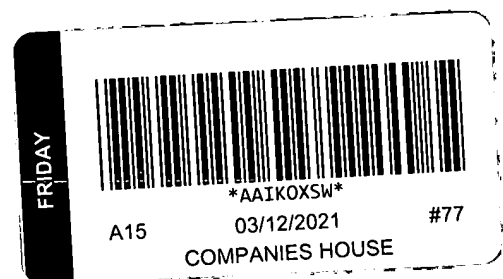


Company Registered Number: 04007132

THE FOOTBALL STADIA IMPROVEMENT FUND LIMITED

Annual Report and Financial Statements
for the year ended 31 May 2021



The Football Stadia Improvement Fund Limited

Annual Report and Financial Statements for the year ended 31 May 2021

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The Football Stadia Improvement Fund Limited

Directors and Advisers

Directors

P D G McCormick OBE (Chairman)

M W Bullingham

W M Bush

Chief Executive

R J Sullivan

Company Secretary

J Goodman

Registered office

10 Eastbourne Terrace

Paddington

London

W2 6LG

Solicitors

Bates Wells

10 Queen Street Place

London

EC4R 1BE

Independent auditors

RSM UK Audit LLP

25 Farringdon Street

London

EC4A 4AB

Bankers

Barclays Bank PLC

1 Churchill Place

London

E14 5HP

The Football Stadia Improvement Fund Limited

Directors' report for the year ended 31 May 2021

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 2021 (FY21). 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 2021 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 11. Both the level of activity and the year-end financial position were satisfactory.

The Premier League has committed to providing £8.0m of funding for the next financial year 2021/22, and which it currently anticipates also being the level of funding for 2022/23. 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 £14.1m (2020: £8.7m).

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 but believe the entity to be a going concern from the 12 months from date of sign off of the 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 2021 or at any time during the year.

The Football Stadia Improvement Fund Limited

Directors' report for the year ended 31 May 2021

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 £8.0m for 2021/22.

The Football Stadia Improvement Fund Limited

Directors' report for the year ended 31 May 2021

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
Jennie Goodman (Sep 16, 2021 09:54 GMT+1)

J Goodman
Company Secretary
15 September 2021

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

We have audited the financial statements of The Football Stadia Improvement Fund Limited (the 'company') for the year ended 31 May 2021 which comprise the Statement of income and retained earnings and Balance sheet, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material

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

inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

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

Auditor's 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 auditor's 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the company operates in and how the company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and evaluating advice received from external tax advisors.

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

The audit engagement team identified the risk of management override of controls as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging any judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM Uk Audit LLP

Nicholas Sladden (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London

EC4A 4AB

16 September 2021

The Football Stadia Improvement Fund Limited

Registered company number: 04007132

Statement of income and retained earnings for the year ended 31 May 2021

	Note	2021 £'000	2020 £'000
Income		1,090	637
Administrative expenses	5	(1,090)	(637)
Operating result	2	-	-
Interest receivable and similar income	3	15	54
Profit before taxation		15	54
Tax on profit	6	-	-
Profit for the financial year	12	15	54
Retained earnings brought forward at 1 June		429	375
Retained earnings carried forward at 31 May		444	429

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.

The notes on pages 13 to 18 form part of these financial statements.

The Football Stadia Improvement Fund Limited

Registered company number: 04007132

Balance sheet as at 31 May 2021

	Note	2021 £'000	2020 £'000
Current assets			
Cash at bank and in hand		<u>6,845</u>	<u>9,630</u>
		6,845	9,630
Creditors: amounts falling due within one year	8	<u>(10,955)</u>	<u>(11,641)</u>
Net current liabilities		<u>(4,110)</u>	<u>(2,011)</u>
Debtors: amounts falling due after one year	7	<u>4,554</u>	<u>2,440</u>
Net assets		<u>444</u>	<u>429</u>
Capital and reserves			
Retained earnings	11	<u>444</u>	<u>429</u>
Total funds	10	<u><u>444</u></u>	<u><u>429</u></u>

The notes on pages 13 to 18 form part of these financial statements.

The financial statements, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within the Companies Act 2006, Pt 15, on pages 11 to 18 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 2021 and signed on its behalf by:

Peter McCormick OBE
Peter McCormick OBE (Sep 16, 2021 15:46 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 2021 financial statements.

Cash at bank and in hand

Cash and cash equivalents include 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:

	2021	2020
	£'000	£'000
Auditor's remuneration (exclusive of VAT) – for audit services	5	11
Auditor's remuneration (exclusive of VAT) – for tax services	<u>2</u>	<u>5</u>

3. Interest receivable and similar income

	2021	2020
	£'000	£'000
Loan interest	13	17
Bank interest	<u>2</u>	<u>37</u>
	<u>15</u>	<u>54</u>

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

4. Directors' emoluments

No Directors were paid remuneration for the year ended 31 May 2021 (2020: £nil).

The Football Stadia Improvement Fund Limited

Notes to the financial statements

5. Administrative expenses

The Football Foundation made a charge of £1.1m (2020: £0.6m) 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

	2021	2020
	£'000	£'000
Current tax		
On profit for the financial year	-	-

b. Factors affecting the tax charge for the year

	2021	2020
	£'000	£'000
Profit before taxation	15	54
Profit multiplied by the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	3	10
Effects of:		
Expenses not deductible for tax purposes	165	97
Income not taxable	(207)	(121)
Losses carried forward	39	14
Tax charge	-	-

c. Factors likely to affect future tax charges

A deferred tax asset of £141,351 (2020: £68,781) 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

	2021	2020
	£'000	£'000
Enacted corporate rate	25%	19%
Losses carried forward	565	362
Deferred tax asset	141	69

7. Debtors: amounts falling due after one year

	2021	2020
	£'000	£'000
Loan to former Football League club	2,000	2,000
Accrued income	2,554	440
	<u>4,554</u>	<u>2,440</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 in June 2021, the loan was converted to a grant.

Increase in accrued income from 2019/20 wholly related to Premier League funding of £2.1m remaining outstanding at 31 May 2021. This was subsequently paid in full during 2021/22.

The outstanding interest charges of £436k (2020: £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 2021/22.

The Football Stadia Improvement Fund Limited

Notes to the financial statements

8. Creditors: amounts falling due within one year

	2021	2020
	£'000	£'000
Grants payable	9,920	7,296
Other creditors	19	6
Amounts owed to The Football Foundation	1,060	598
Capital contributions uncommitted (see note 10)	(64)	3,716
Accruals	20	25
	10,955	11,641

9. Balance of capital contribution

	The FA	Premier League	Total
	£'000	£'000	£'000
At 1 June 2020	-	3,716	3,716
Funds receivable	10,946	14,126	25,072
New grants awarded	(10,893)	(16,869)	(27,762)
Management charge (note 5)	-	(1,090)	(1,090)
At 31 May 2021 (note 9)	53	(117)	(64)

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.

10. Reconciliation of movements in funds

	2021	2020
	£'000	£'000
Opening funds	429	375
Profit for the financial year	15	54
Closing funds	444	429

11. Retained earnings

	2021	2020
	£'000	£'000
At 1 June	429	375
Profit for the financial year	15	54
At 31 May	444	429

The Football Stadia Improvement Fund Limited

Notes to the financial statements

12. Commitments

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

13. Related party transactions

The Premier League contributed capital of £14.1m (2020: £8.5m) to FSIF during the year, of which £2.1m (2020: nil) remained outstanding at the year end.

The FA contributed capital of £10.9m (2020: £nil) to FSIF during the year, of which nil (2020: nil) 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 currently Interim Chairman) 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 W Bullingham is the Chief Executive of The FA and a Trustee of The Football Foundation.

Mr R J Sullivan is 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, £1.1m in 2021 (2020: £0.6m).

14. 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.