

Chelsea FC Foundation Limited

Trustees' report and financial statements

Registered number 06858117

For the year ended 30 June 2013

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Trustees' report

This report has been prepared in accordance with Charities Act 2011 and is also the report of the directors for the purposes of the Companies Act 2006

The financial statements have been prepared in accordance with the accounting policies set out on page 12 of the attached financial statements and comply with the charitable company's Memorandum and Articles of Association, applicable laws and the requirements of Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005

Structure, Governance and Management

Governing Document

Chelsea FC Foundation is a company limited by guarantee, governed by its Memorandum and Articles of Association dated 25 March 2009. It is registered as a charity with the Charity Commission (registered number 1129723)

Appointment of Trustees

As set out in the Articles of Association, Trustees are invited to join the Board. Chelsea Football Club Limited (the Club) can appoint up to three Trustees. At the Annual General Meeting one third of Trustees shall retire by rotation.

On appointment, trustees complete a register of interests and undertake an induction programme that includes familiarisation with the purposes and operation of the Charity, its strategies and its objectives. There is currently no ongoing training programme for trustees, however trustees are encouraged to attend appropriate external training events to assist them in the undertaking of their role.

Organisation

The board of Trustees, which shall include no less than three members, administers the Charity. The board meets at least three times a year. A Head of Foundation is appointed by the Trustees to manage the day-to-day operations of the Charity. To facilitate effective operations, the Head of Foundation has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance, employment, education and sport related activity.

Subsidiary companies

The Charity has two trading subsidiaries, Chelsea FC Foundation Trading Company Limited (FCF) and Chelsea Ladies Football Club Limited (LFC) and one charitable subsidiary, The Chelsea Past Players Trust (PPF).

Any profit generated by the activities of the trading subsidiaries is donated to the Charity. Note 15 to the financial statements details the nature of the trading subsidiaries and the results of these subsidiaries for the year.

Related Parties

The Trustees consider that Chelsea FC plc and its subsidiaries Chelsea Football Club Limited and Chelsea FC Merchandising Limited are related parties of the charity by virtue of significant influence.

Risk Management

The Trustees have a risk management strategy which comprises

- An annual review of the risks the Charity may face,
- The establishment of systems and procedures to mitigate those risks identified in the plan, and
- The implementation of procedures designed to minimise any potential impact on the Charity should those risks materialise.

Trustees' Report *(continued)*

Particular attention has been focused on the non-financial risks arising from working with young people. A key element in the management of financial risk is the setting of a regular review through the management team. Future changes in both the political and economic climate are identified major risks in this risk assessment.

Objectives and Activities

With a vision of inspiring participants to participate in healthy recreation and to advance the education of young people, the Foundation strives to

- Make an impact on many people increasing access and participation in positive activity,
- Inspire young people to achieve and raise aspirations now and in future generations
- Contribute to safe, healthy and regenerated communities, and
- Be an integral part of the local community

The board of Trustees has referred to the Charity Commission general guidance on public benefit when reviewing the aims and objectives of Chelsea FC Foundation and is satisfied that they meet the public benefit requirements. Further information within the achievements and performance section of this report provides details of the work done to meet these aims and objectives.

With a multi-skilled team of over 200 coaches and 20 support staff as well as volunteers providing a range of football related activities, Chelsea FC Foundation is a catalyst in changing the lives of young people and their families in the communities of London, the surrounding areas and Worldwide. Chelsea FC Foundation not only contributes to educational development but also makes an impact on prominent issues such as health, regeneration, crime, community cohesion and employment using football and the CFC brand as the motivator.

Chelsea FC Foundation provides a range of formal and informal learning programmes delivered in classrooms at Stamford Bridge, Cobham, or within the heart of communities at local venues. Programmes are customised, mapped to standards and current policies and can cover a range of topics: literacy and numeracy, employability and leadership skills, and issues such as anti-bullying, racism and safe and healthy choices.

Through its Football Development department, Chelsea FC Foundation increases access and participation to sport.

The one thing in common in each of the areas we work in is the use of sport and above all football as a vehicle to engage and inspire. The power of the game to reach out to individuals and benefit communities cannot be underestimated.

Achievements and performance

The 2012/13 season was another exciting one in the development of the Chelsea FC Foundation, which continued to go from strength to strength building on the success of the previous campaign and developing new areas and innovative programmes of work. We worked with 726,997 participants on our sports development programmes this year as well as engaging over 10,000 in inclusion programmes.

Key to this success has been our strong link-ups with funding partners, local authorities, schools and agencies. Communities know above anyone else what they need and all of our programmes work in consultation with the partners themselves constructing innovative and tailor-made programmes to respond to local needs.

We have been working with Barclays Spaces for Sports and Right To Play, CFC's global charity partner, to provide a social inclusion programme in Hong Kong. The groundbreaking initiative is tackling the issues of gang membership and antisocial behaviour by harnessing the talent and energy of young people in the region and focusing them in positive activities.

Our Asian Star initiative has helped seven young players into professional football club Academies and importantly is playing a vital role in breaking down barriers between the Asian community and football. The programme has helped to showcase the passion and the talent of players within the Asian community and this innovative scheme is rightly seen as industry leading.

Trustees' Report *(continued)*

The London Olympics also helped raise the profile of female sport and the creation of the FA Women's Super League provided a new focus for the women's game. Mirroring this upsurge in the popularity of female football, Chelsea Ladies are now one of the country's elite teams and we are proud to be named as one of the eight sides in the top league of the revamped WSL for the 2014-18 seasons.

The first-ever Chelsea Cup took place in the 2012/13 season, a tournament for girls' teams held at our world famous Cobham training ground. Forty teams in three age groups brought together 250 players from London, Surrey and the surrounding areas to compete in what will now become an annual event. On top of this, our open trials for the Chelsea Ladies Centre of Excellence attracted more than 500 players – a number far higher than previous years. We were also honoured to host the Women's Champions League final at Stamford Bridge in March.

Our disability programme was awarded funding from the Premier League to develop new and exciting opportunities for players with a wide range of disabilities. Four players and the manager of our disability programme were also nominated by Lord Coe to have the great honour of carrying the Paralympic torch through London, a day the players, the manager and their families will never forget.

Our International Department has seen Foundation coaches visiting South America, South East Asia, the US, the Caribbean and Africa working alongside Samsung and Adidas and other partners to deliver a range of inclusive activities.

Closer to home, the work of the Past Players Trust continues providing funding and support for our former players, enabling us to give something back to those who helped make this club what it is today.

Financial Review

The results for the year ended 30 June 2013 show net incoming resources of £404,587 (2012 outgoing £92,431). Total incoming resources were £4,682,831 (2012 £4,156,057) and resources expended were £4,278,244 (2012 £4,248,488).

Donated Services

The Charity receives financial support from Chelsea FC plc and its subsidiaries to the extent that support functions are provided free of any charges.

Investment procedures and policy

At the present time, the reserves of Chelsea FC Foundation are held on interest bearing cash deposits in order to meet ongoing liquidity requirements. The Trustees have powers to invest the funds as they see fit, as set out in the Memorandum and Articles of Association.

Reserves Policy

The total annual running costs of Chelsea FC Foundation, assuming current programmes continue, are circa £3.5 million. A large proportion of the running costs will be met by future grants which are expected to be received, subject to certain conditions of performance. The aim is to build sufficient reserves to meet six months running costs of Chelsea FC Foundation plus charity wind up costs. This is estimated at £1 - £1.5 million.

The Trustees consider free reserves to be the unrestricted reserves of the charity which have a surplus at the year end of £124,141. The Charity has revised its budgetary processes in 2012-13 and has placed additional focus upon cost reduction as well as income generation to enable the previous deficit to be eliminated this year.

The financial statements have been prepared on the going concern basis which the trustees believe to be appropriate.

Trustees' Report *(continued)*

The restricted reserves are made up of the unspent elements of various projects which were on-going at the year end. These funds comprise the Foundation fund which includes all of the Foundation projects including Kicks Premier League 4 Sport Positive Futures Football+ Surrey Youth Engagement, Education through Football and Unlocking Potential.

Plans for Future Years

Our services to the community continue to be vital in helping young people and their families develop skills, build confidence and enjoy and revive community life. In 2013-14 we not only promise the delivery of sports coaching but will continue to offer a portfolio that is proactive, responsive and considerably more holistic for the community, offering to improve skills, health knowledge, confidence and motivation through a variety of engaging programmes themed around football and sport.

As we look to the forthcoming years we aim to build on our successes, developing our monitoring systems as we strive to achieve excellence. This will not only increase our efficiency but also our sustainability as a charity. We plan to further develop progression pathways for course participants to ensure that they stand a better chance of reaching their full potential through the range of opportunities available to them.

Finally, we will continue to be driven by the needs of our stakeholders, providing real value for those we deal with.

Sustainability

With government cutbacks and a significant amount of Chelsea FC Foundation's funding secured from public sector sources there are a number of controls and policies in place to aid sustainability.

- Representation in local area partnerships - being involved in the grassroots strategy and working in partnership will enable all organisations to secure funding but be more cost effective so combating future cuts.
- Increase unrestricted funding – increased targets will be given to Community Education and Football Development.
- Reduce expenditure – as always Chelsea FC Foundation will scrutinise costs and consider possible efficiencies across the business. This may include streamlining of programmes.

Provision of information to auditor

In accordance with company law as the Charity Trustees, we certify that

- So far as each Trustee is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- As the Trustees of the Charity we have each taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Trustees' Report *(continued)*

Independent Auditor

A resolution will be proposed at the Annual General Meeting that KPMG LLP be reappointed as auditor to the Charitable Company for the ensuing year

Reference and Administration Details

Trustees

CI Alexander
BM Buck
JR Devine
GP Le Saux
P Powar
AL Shaw
E Wilkinson

Secretary

A Shaw

Head of Foundation

S Taylor

Registered office

Stamford Bridge
Fulham Road
LONDON
SW6 1HS

Bankers

Barclays
Pall Mall Corporate Banking Centre
50 Pall Mall
London
SW1A 1QA

Solicitors

Muckle LLP
32 Gallowgate
Newcastle Upon Tyne
NE1 4BF

Auditor

KPMG LLP
Chartered Accountants and Registered Auditors
Edward VII Quay
Navigation Way
Preston
PR2 2YF

Company/Charity number

Company number 06858117
Charity Number 1129723
(A company limited by guarantee)

Statement of responsibilities of the Trustees of Chelsea FC Foundation Limited in respect of the Trustees' annual report and the financial statements

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

Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).


Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of the group's excess of income over expenditure for that period. In preparing each of the group and charitable company financial statements the trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the charitable company will continue its activities.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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

Approved by the Board of Trustees and signed on behalf of the Board on *24 March* 2014



AL Shaw
Trustee

Stamford Bridge
Fulham Road
LONDON
SW6 1HS



KPMG LLP
Edward VII Quay
Navigation Way
Preston
PR2 2YF
United Kingdom

Independent auditor's report to the members of Chelsea FC Foundation Limited

We have audited the financial statements of Chelsea FC Foundation Limited for the year ended 30 June 2013 set out on pages 9 to 21. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees Responsibilities set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit, and express an opinion on, 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the charitable company's affairs as at 30 June 2013 and of the group's incoming resources and application of resources including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditor's report to the members of Chelsea FC Foundation Limited (continued)

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

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



Stephen Dunn (Senior Statutory Auditor)
for and on behalf of KPMG LLP,
Statutory Auditor
Chartered Accountants
Edward VII Quay
Navigation Way
Preston
PR2 2YF
United Kingdom

27-3- 2014

Consolidated Statement of Financial Activities
(incorporating Income & Expenditure Account)
for the year ended 30 June 2013

	Notes	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	566,420	245,443	811,863	524,293
Activities for generating funds		527,275	-	527,275	422,179
Incoming resources from charitable activities	5	2,596,315	747,378	3,343,693	3,209,585
Total incoming resources		3,690,010	992,821	4,682,831	4,156,057
Resources expended					
Cost of generating funds					
Fundraising trading cost of goods sold and other costs		(256,983)	-	(256,983)	(149,692)
Charitable activities		(2,979,494)	(1,030,918)	(4,010,412)	(4,088,196)
Governance costs		(10,849)	-	(10,849)	(10,600)
Total resources expended	3	(3,247,326)	(1,030,918)	(4,278,244)	(4,248,488)
Net movement in funds		442,684	(38,097)	404,587	(92,431)
Fund balances b/fwd at 30 June 2012		(318,543)	252,686	(65,857)	26,574
Fund balances c/fwd at 30 June 2013	11, 14	124,141	214,589	338,730	(65,857)

All amounts arise from continuing operations

The charitable company has no recognised gains or losses other than the net movement of funds for the period

The notes on pages 12 to 21 form part of these financial statements

Consolidated Balance sheet

As at 30 June 2013

	Notes	2013 £	2012 £
Fixed assets			
Intangible fixed assets	6	4,497	7,869
Tangible fixed assets	7	20,867	8,091
		<u>25,364</u>	<u>15,960</u>
Current assets			
Debtors	8	770,657	609,853
Cash at bank and in hand		406,242	383,370
		<u>1,176,899</u>	<u>993,223</u>
Creditors' amounts falling due within one year	9	(863,533)	(1,075,040)
Net current assets/(liabilities)		<u>313,366</u>	<u>(81,817)</u>
Total assets less current liabilities		<u>338,730</u>	<u>(65,857)</u>
Net assets/(liabilities)		<u>338,730</u>	<u>(65,857)</u>
Charitable funds			
Unrestricted funds	13, 14	124,141	(318,543)
Restricted funds	13, 14	214,589	252,686
	11, 14	<u>338,730</u>	<u>(65,857)</u>

These financial statements were approved by the Board of Trustees on 24 March 2014
Signed on behalf of the Board of Trustees



AL Shaw
Trustee

Company registration number 06858117

Charity registration number 1129723

The notes on pages 12 to 21 form part of these financial statements

Company Balance sheet

As at 30 June 2013

	Notes	2013 £	2012 £
Fixed assets			
Intangible fixed assets	6	4,497	7,869
Tangible fixed assets	7	5,917	8,091
Investments	16	2	2
		<u>10,416</u>	<u>15,962</u>
Current assets			
Debtors	8	699,725	599,005
Cash at bank and in hand		187,381	264,721
		<u>887,106</u>	<u>863,726</u>
Creditors: amounts falling due within one year	9	(620,536)	(980,240)
Net current assets/(liabilities)		<u>266,570</u>	<u>(116,514)</u>
Total assets less current liabilities		<u>276,986</u>	<u>(100,552)</u>
Net assets/(liabilities)		<u>276,986</u>	<u>(100,552)</u>
Charitable funds			
Unrestricted funds	14	62,398	(442,239)
Restricted funds	14	214,588	341,687
	11	<u>276,986</u>	<u>(100,552)</u>

These financial statements were approved by the Board of Trustees on 24 March 2014

Signed on behalf of the Board of Trustees



AL Shaw
Trustee

Company registration number 06858117

Charity registration number 1129723

The notes on pages 12 to 21 form part of these financial statements

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 Group's financial statements

Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006, the Charities SORP (2005) and applicable accounting standards and under the historical cost accounting rules

Going concern

The Trustees consider that the charity has sufficient financial resources and is well placed to manage its risks successfully despite the current uncertain economic outlook

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

Consolidation

These consolidated financial statements consolidate the results of the charitable company and its wholly owned subsidiary undertakings: Chelsea Ladies Football Club Limited, Chelsea FC Foundation Trading Company Limited and The Chelsea Past Players' Trust Limited on a line-by-line basis

These accounts are made up to the 30 June 2013 and are based on the accounts of the subsidiary undertakings which are coterminous with those of the charitable company

The charitable company has taken advantage of the exemption not to disclose a company only Statement of Financial Activities. The results for the charitable company Chelsea FC Foundation Limited are a surplus of £377,538 for the year ended 30 June 2013 (2012: surplus of £58,039). Gross income for the year ended 30 June 2013 of £4,358,550 (2012: £4,087,668) was recognised

Cash flow

The financial statements do not include a cash flow statement because the group, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash flow statements'

Donated services

The Charity does not include donated services and facilities in the Statement of Financial Activities as the Charity is unable to reasonably quantify or measure the value of these services. Donated services and financial support are received from Chelsea FC plc and its subsidiaries to the extent that premises and support functions are provided free of any charges

Notes (continued)

1 Accounting policies (continued)

Incoming Resources

All incoming resources are included in the statement of financial activities when the charitable company is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Incoming resources from charitable activities are included when earned. These resources relate to football programmes conducted by Chelsea FC Foundation Limited for which individuals pay to attend.
- Incoming resources from grants where related to performance and specific deliverables are accounted for as the charitable company earns the right to consideration by its performance.
- Incoming resources from donations and other voluntary sources are credited to the Statement of Financial Activities when receivable. Where such incoming resources are received in advance the income is deferred until the charitable company becomes entitled to the resources.

Resources expended

Resources expended have been charged to the statement of financial activities on an accruals basis.

Support costs relating to a single activity are allocated directly to that activity. Where support costs relate to several activities they have been apportioned on a basis consistent with the average consumption of resources within the Foundation.

Governance costs represent the costs associated with the governance arrangements of the Group as opposed to those costs associated with fundraising or charitable activity.

Unrestricted funds

Unrestricted funds are funds which can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds

Restricted funds are funds raised or donated for a specific purpose. All other funds are classified as unrestricted.

Depreciation and tangible fixed assets

Capital purchases in excess of £500 are capitalised as tangible fixed assets.

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment. Depreciation on tangible fixed assets is calculated on a straight line basis and aims to write down their costs to their estimated residual value over their expected useful lives as follows:

Fixtures and fittings - 4 years

Pension costs

The company contributes to defined contribution benefit schemes on behalf of employees. The amount charged in the statement of financial activities is the amount payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Taxation

Chelsea FC Foundation Limited is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied exclusively to charitable purposes.

Statutory Accounts

The statutory accounts have been filed with the Registrar of Companies.

Notes (continued)

2 Voluntary Income

	Unrestricted funds £	Restricted funds £	2013 £	2012 £
Gift, donations and legacies	435,420	144,604	580,024	328,745
Grants received from Charitable foundations	131,000	100,839	231,839	195,548
	<u>566,420</u>	<u>245,443</u>	<u>811,863</u>	<u>524,293</u>

3 Resources expended

	Unrestricted Funds £	Restricted Funds £	2013 £	2012 £
(i) Analysis of total resources expended				
Staff costs	838,605	521,959	1,360,564	1,614,938
Support costs	538,319	34,658	572,977	377,383
Other direct costs	1,870,402	474,301	2,344,703	2,256,167
	<u>3,247,326</u>	<u>1,030,918</u>	<u>4,278,244</u>	<u>4,248,488</u>

	Trading costs £	Governance Costs £	Charitable Activities £	2013 £	2012 £
(ii) Analysis of support costs					
Telephone, postage, stationery and printing	-	-	19,173	19,173	43,561
Other support costs	94,406	-	414,815	509,221	292,812
Consultancy and professional costs	-	-	25,837	25,837	23,004
Depreciation	1,151	-	5,546	6,697	2,906
Audit fees	-	7,849	-	7,849	7,000
Tax fees	1,200	3,000	-	4,200	8,100
	<u>96,757</u>	<u>10,849</u>	<u>465,371</u>	<u>572,977</u>	<u>377,383</u>

	2013 £	2012 £
(iii) Analysis of other direct costs		
Coaching programme costs	2,088,964	1,919,120
Other costs	213,994	254,694
Transport costs	33,573	60,530
Coach Education costs	8,172	21,823
	<u>2,344,703</u>	<u>2,256,167</u>

The net movement in funds is shown after charging the following costs

	2013 £	2012 £
Fees payable to charitable company's auditor for the audit of the charitable company's annual accounts	7,849	7,000
Fees payable to charitable company's auditor in respect of taxation services	3,000	3,600
Amortisation of intangible assets	3,372	2,248
Depreciation of tangible assets	3,325	658

Notes (continued)

4 Staff numbers and costs

	2013 £	2012 £
Employee costs during the year amounted to		
Wages and salaries	1,251,562	1,462,347
Social security costs	89,941	118,188
Other pension costs	19,062	34,403
	<u>1,360,565</u>	<u>1,614,938</u>

The number of employees who earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year were as follows

	No	No
£60,001 - £70,000	2	2

No retirement benefits are accruing for the two higher paid employees detailed above

	No	No
Average monthly number of persons employed by the Company during the period excluding directors	48	60

None of the trustees received any remuneration in respect of their services as directors of the Company, neither did any of the trustees receive any reimbursement of expenses in this respect

Total contributions to the defined contribution scheme amounted to £19,062 (2012 £34,403)

5 Incoming resources from charitable activities

	Unrestricted funds £	Restricted funds £	2013 £	2012 £
Sale of services as part of the direct charitable activities	2,522,982	48,350	2,571,332	2,385,809
Grants received for the provision of services	73,333	699,028	772,361	823,776
	<u>2,596,315</u>	<u>747,378</u>	<u>3,343,693</u>	<u>3,209,585</u>

Notes (continued)

6 Intangible fixed assets

Group and Charitable Company

	Software licence £
Cost	
At 1 July 2012 and at 30 June 2013	10,117
Depreciation	
At 1 July 2012	2,248
Provided in year	3,372
At 30 June 2013	5,620
Net book value	
At 30 June 2013	4,497
At 30 June 2012	7,869

7 Tangible fixed assets

Group

	Fixtures & Fittings £
Cost	
At 1 July 2012	38,257
Additions	16,101
At 30 June 2013	54,358
Depreciation	
At 1 July 2012	30,166
Provided in year	3,325
At 30 June 2013	33,491
Net book value	
At 30 June 2013	20,867
At 30 June 2012	8,091

Notes (continued)

7 Tangible fixed assets (continued)

Charitable Company

	Fixtures & Fittings £
Cost	
At 1 July 2012 and at 30 June 2013	38,257
Depreciation	
At 1 July 2012	30,166
Provided in year	2,174
At 30 June 2013	32,340
Net book value	
At 30 June 2013	5,917
At 30 June 2012	8,091

8 Debtors

	2013 Group £	2013 Company £	2012 Group £	2012 Company £
Trade debtors	449,325	407,325	338,143	329,577
Other debtors	321,332	292,400	271,710	269,428
	770,657	699,725	609,853	599,005

9 Creditors amounts falling due within one year

	2013 Group £	2013 Company £	2012 Group £	2012 Company £
Trade creditors	134,097	66,026	375,450	305,512
Accruals and deferred income	626,662	471,738	307,211	283,979
Social security and other taxes	102,774	82,772	392,379	390,749
	863,533	620,536	1,075,040	980,240

Accruals are recognised where grants have been awarded pre-year end and the monies are only paid post year end

Deferred voluntary income is recognised where cash received exceeds grants awarded and the amount of cash received does not meet the criteria to be recognised as voluntary income

Deferred income from the sale of services is recognised where cash is received in advance of service delivery. These cash receipts are a maximum of nine months in advance of service delivery.

Creditors due within one year includes amounts owed to related parties totalling £374 (2012 £475,542) as split out in note 12.

10 Called up share capital

The company is limited by guarantee and has no share capital. The liability of the trustees as members is limited by guarantee to not more than £10.

Notes (continued)

11 Reconciliation of movements in funds

	Group £	Company £
At 30 June 2012	(65,857)	(100,552)
Net movement of funds	404,587	377,538
At 30 June 2013	<u>338,730</u>	<u>276,986</u>

12 Related party transactions

The Company conducts business transactions on a normal commercial basis with and receives a number of services from the following related Companies

	Sales to related party		Purchases from related party		Balance receivable		Balance payable	
	2013 £	2012 £	2013 £	2012 £	2013 £	2012 £	2013 £	2012 £
Chelsea Football Club Ltd	248,410	333,305	25,625	40,706	102,241	94,580	-	936
Muckle LLP	-	-	6,575	4,928	-	-	-	-
Chelsea FC Merchandising	-	-	30,142	43,203	-	-	360	75
Chelsea FC PLC	-	-	3,066,963	2,764,025	-	-	14	474,531

Chelsea Football Club, Chelsea FC plc and Chelsea FC Merchandising are related parties due to a number of trustees of Chelsea FC Foundation Limited being directors of the Chelsea FC group companies

Sales to Chelsea Football Club Limited include the recharge of coaching time conducted by Foundation staff on behalf of the Football Club

Chelsea FC plc process all payroll on behalf of the Foundation and this is invoiced to the Foundation on a monthly basis

Amounts owed to Chelsea FC Merchandising relate to costs for one-off charges of merchandise items or stadium tours used as lottery/raffle prizes

Muckle LLP is a related party as Mr J Devine, one of the trustees of Chelsea FC Foundation Limited is currently a partner at Muckle LLP. The firm has been engaged in the year to provide legal advice to the charitable company

Notes (continued)

13 Reconciliation of movement in funds

<i>Group</i>	Funds at start of year £	Incoming resources £	Resources expended £	Funds at end of year £
Unrestricted funds				
General funds	(318,543)	3,690,010	(3,247,326)	124,141
Restricted funds				
Foundation funds	252,686	992,821	(1,030,918)	214,589
	<u>(65,857)</u>	<u>4,682,831</u>	<u>(4,278,244)</u>	<u>338,730</u>

The general fund represents the free funds of the charity which are not designated for any particular purposes

A description of each restricted fund is given below

Foundation funds

These funds consist of grants and funding from various bodies including those for the following projects

Kicks, Premier League 4 Sport, Positive Futures, Football+ Surrey Youth Engagement Education through Football and Unlocking Potential

The Kicks project is a partnership between the Premier League Charitable Fund and the Metropolitan Police engaging hard to reach young people, this project received funding of £178,961 (2012 £252,397) in the year and carried forward £66,720 (2012 £2,351)

Including part of the funding for the two projects above the Premier League Charitable Fund provided £291,264 (2012 £272,553) of funding in the year. The majority of projects funded from Foundation funds are in receipt of funding from a variety of different sources

Other projects within the Foundation funds are individually insignificant

14 Analysis of net assets between funds

<i>Group</i>	Unrestricted funds £	Restricted funds £	Total funds 2013 £
<i>Fund balances at 30 June 2013 represented by</i>			
Fixed assets	25,364	-	25,364
Current assets	962,310	214,589	1,176,899
Current liabilities	(863,533)	-	(863,533)
	<u>124,141</u>	<u>214,589</u>	<u>338,730</u>

Notes (continued)

14 Analysis of net assets between funds (continued)

<i>Charitable company</i>	Unrestricted funds £	Restricted funds £	Total funds 2013 £
<i>Fund balances at 30 June 2013 represented by:</i>			
Fixed assets	10,416	-	10,416
Current assets	672,518	214,588	887,106
Current liabilities	(620,536)	-	(620,536)
	<u>62,398</u>	<u>214,588</u>	<u>276,986</u>

15 Commercial trading operations

The charitable company has two trading subsidiaries, Chelsea FC Foundation Trading Company Limited and Chelsea Ladies Football Club Limited, both are companies incorporated in England and Wales

Chelsea FC Foundation Trading Company Limited carried out sponsorship activities throughout the year. Chelsea Ladies Football Club Limited operated ladies football team throughout the year.

A summary of the trading result of both of the subsidiaries is shown below. Abbreviated financial statements for the year-ended 30 June 2013 are filed with the Registrar of Companies. Gift Aid donations of the taxable profits in each subsidiary were made to Chelsea FC Foundation Limited.

<i>Chelsea FC Foundation Trading Company Limited</i>	2013 £	2012 £
Turnover	76,745	64,420
Cost of sales	(16,172)	(52)
Gross profit	60,573	64,368
Administrative expenses	(600)	(2,000)
Operating profit	59,973	62,368
Contributions to Chelsea FC Foundation under gift aid	(4,919)	(195,217)
Net profit/(loss) after contributions to Chelsea FC Foundation	55,054	(132,849)
Assets	77,681	37,133
Liabilities	(11,579)	(26,084)
Funds	66,102	11,049

Notes (continued)

15 Commercial trading operations (continued)

<i>Chelsea FC Ladies Limited</i>	2013	2012
	£	£
Turnover	188,792	136,431
Cost of sales	(236,958)	(145,140)
Gross loss	(48,166)	(8,709)
Administrative expenses	(3,253)	(2,500)
Operating loss	(51,419)	(11,209)
Contributions to Chelsea FC Foundation under Gift Aid	-	(27,005)
Net loss after contributions to Chelsea FC Foundation	(51,419)	(38,214)
Assets	173,711	91,012
Liabilities	(236,339)	(102,221)
Funds	(62,628)	(11,209)

16 Fixed asset investments

	2013	2012
	£	£
<i>Charitable company</i>		
Ordinary £1 shares in Chelsea FC Foundation Trading Company Limited	1	1
Ordinary £1 shares in Chelsea Ladies Football Club Limited	1	1
	2	2

Being the investments in the two wholly owned trading subsidiaries