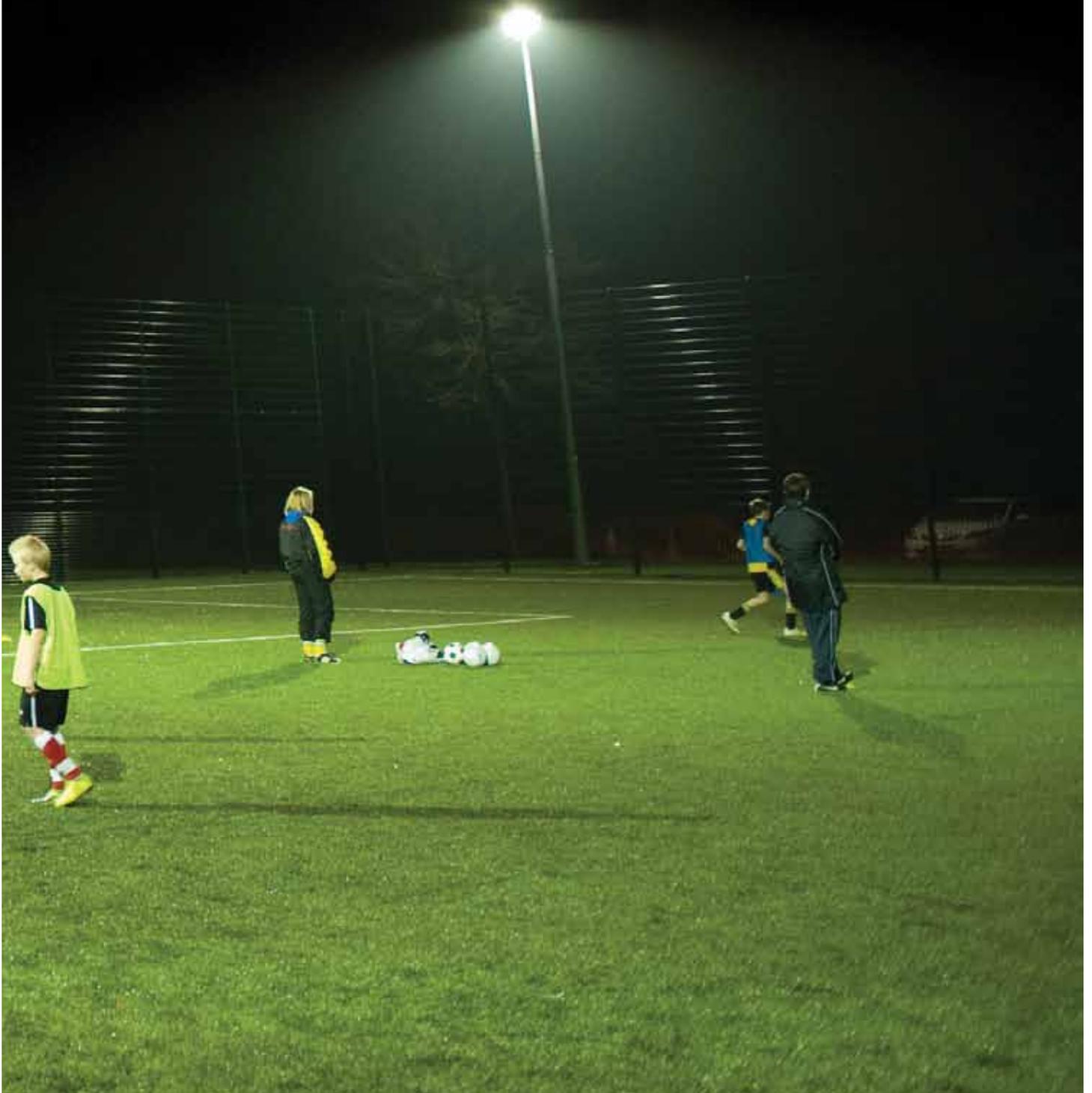


Football Foundation

ANNUAL REPORT AND
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 MAY 2011



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TRUSTEES, DIRECTORS, OFFICERS AND ADVISERS

Trustees and directors

C R Sherling (resigned 2 March 2011)
R F Burden* **
Rt Hon Richard Caborn
J P B Hall
P D G McComick OBE
R C Scudamore*
P J Smith

*Member of Audit and Remuneration Committee
** Acting Chairman

Chief executive

P J Thorogood

Company secretary

P T Fitzboydon

Registered office

Whittington House
19-30 Alfred Place
London
WC1E 7EA

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

Solicitors

Bates, Wells & Braithwaite
2-6 Cannon Street
London
EC4M 6YH

Bankers

Barclays Bank PLC
Corporate Banking Group
27th Floor
1 Churchill Place
London
E14 5HP

Investment custodians

Barclays Wealth
15th Floor
1 Churchill Place
London
E14 5HP

Merrill Lynch International Bank Limited

Merrill Lynch Financial Centre
2 King Edward Street
London
EC1A 1HQ

UBS Laing Cruickshank Limited

Citygate
2 St James' Gate
Newcastle Upon Tyne
NE4 7JH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MAY 2011

The Trustees, who are also directors of the company for the purposes of the Companies Act, present their annual report and the audited financial statements for the year ended 31 May 2011.

The Trustees have referred to the Charity Commission's guidance on reporting on public benefit (section 4 of Charities Act 2006) when reviewing the Charity's aims and objectives, and when planning the Charity's activities. The trustees are therefore confident that the Charity meets the public benefits requirements.

The information with respect to Trustees, directors, officers and advisers set out on page 2 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, applicable Accounting Standards in the United Kingdom, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2006 and the Companies Act 2006.



Status and administration

The Football Foundation ("the Foundation") is a charitable company limited by guarantee, incorporated on 19 November 1999 as The Football Trust Charitable Trust, changing its name to The Football Foundation on 26 April 2000 (company registration number 3876305) and registered with the Charity Commissioners (charity number 1079309).

The other company included within the Group is the non-charitable trading subsidiary The Football Foundation Trading Limited, which was incorporated on 20 April 2001 (company registration number 4202574).

The report and consolidated financial statements for the year ended 31 May 2011 relate to the total activities of the two legal entities.

Structure, governance and management

Governing document

The Foundation is governed by its Memorandum and Articles of Association.

Trustees

The Trustees are appointed to the Board as follows:

Independent, non-voting, Chair	Appointed by the Board of Trustees for a 3-year term
The Football Association	Two trustees
The F.A. Premier League	Two trustees
Sport England	One trustee
The Department for Culture, Media and Sport	One trustee

Trustees serve for an open period until the nominating body replaces them on the Board. The Trustees may also appoint an independent, non-executive, non-voting Chairperson for a period of up to three years, after which they can be reappointed.

Chief Executive

The Chief Executive is responsible to the Trustees for the operational efficiency and effectiveness of the Foundation within defined policy. The Chief Executive has authority to approve general administrative expenditure up to £25,000. Expenditure in excess of this amount requires the additional approval of the Chairman. The Chief Executive also has the following delegated authority to approve grants:

- **Grow the Game** grants up to £5,000, joint authority with an Executive Director, primarily the Director of Investment.
- **Build the Game** grants up to £50,000, joint delegated authority with the Chair of the Facilities Assessment Panel.

Organisation

The Board of Trustees administers the Foundation and meets bi-monthly.

The Trustees have established committees – panels – to review and award grants in accordance with delegated authority granted by the Trustees, or to make recommendations to the Trustees in respect of applications to the various grant streams managed by the Foundation. The Panel that oversees the assessment of applications to the major funding stream is the Facilities Assessment Panel (FAP). The membership of the FAP is made up from representatives of the funding partners, also unpaid volunteers who are independent from the Foundation and who bring specific expertise, knowledge and experience to the panel.

The Board has delegated authority to the FAP to award grants of up to £500,000. However, this is still subject to the Board being content with application proposals. Trustees are forwarded copies of all applications ahead of each FAP meeting and retain the power of veto; i.e., should Trustees raise an issue with an application that cannot be answered satisfactorily by the Executive prior to or during the FAP meeting, the application will automatically be forwarded for consideration by the full Board. All projects over £500,000, or the 20% of applications with the highest grant value, whichever is the greater, are assessed and scrutinised by the FAP and then forwarded to the full Board along with a recommendation for approval or otherwise.

In addition, the Trustees participate in the Audit and Remuneration Committee and the Risk Management Committee. Each committee has its decisions ratified by the full board.

Trustees and Panel members' induction

New Trustees are given an induction pack, which includes key governance and policy documents. An orientation day is then arranged which includes briefing sessions with each member of the Executive Management Team, other key staff and the Chief Executive. Areas such as the legal obligations of Trustees, the Foundation's governing documents, its policy and decision making process (including delegated authority levels), financial management and performance are covered. The management of the business, its structure and HR policies are explained.

An introductory session with the Chairman is followed by discussions with other Trustees and Panel Chairmen. Whenever possible this is timed to take place before a new Trustee's first meeting.

Panel members are recruited nationwide and are selected based on their relevant experience and abilities. Where suitable candidates are not identified through local knowledge or word of mouth, recruitment is undertaken by open advertisement. For new Panel members the induction is similar to that of Trustees, but focuses more on the business and remit of the particular panel, its role in the overall grant making process and the obligations of the members.

Internal training and briefing sessions are held for both Trustees and Panel members to widen their knowledge and understanding of the Foundation's work.

Risk management

The business, its management and execution of the company's strategy are exposed to a number of risks; these risks are identified and mitigated where possible. The key business risks affecting the organisation relate to its funding sources, operational financial risks and project risks.

The management of the Foundation's risk is currently under review, using external consultants, Sayer-Vincent, to advise on best practice. The existing process and structure is that risks are the overall responsibility of each employee with ownership and accountability to the Risk Management Group with oversight by the Risk Management Committee. The Risk Management Group meets on a quarterly basis to review documented risks and their management action plans, assess any recent developments and report the latest position to the Risk Management Committee.

As part of the Foundation's risk mitigation strategy it was considered good practice to develop a business continuity management plan. This was aimed at recovering ICT and other operational and support infrastructure from interruptions and restoring the normal mode of operation as quickly and efficiently as possible. The plan is owned by the Director of Business Operations and includes key officers responsible for:

- incidents – staff information cascade
- telecommunications infrastructure failure
- denial of workplace access – short/long term
- key systems infrastructure failure.

The plan also contains a list of key suppliers, individual risk assessment and risk treatment plan along with our IT business partner's business continuity procedures.

Objectives and activities

The Charity's objects were changed by special resolution on 16 June 2004. The objects of the Charity, as stated in its governing document, are to promote all purposes recognised as charitable under the law of England and Wales from time to time in particular through an association with sport. The Charity's current and on-going objectives are:

- to put into place a new generation of modern facilities in parks, local leagues and schools
- to provide capital/revenue support to increase participation in grass roots football, and
- to strengthen the links between football and the community and to harness its potential as a force for good in society.

In meeting these objectives, the Foundation committed grants and other resources, mainly in the form of supporting expertise across a number of related disciplines, aimed at a successful outcome in each grant making category. Activities were undertaken in:

- The 'Grass Roots Facilities Fund' scheme – the grant giving programme aimed at providing capital grants and programme delivery expertise in the building of changing rooms, clubhouses, grass or artificial pitches, multi-use games areas and floodlights for artificial pitches. The Grass Roots Facilities Fund includes the 'Build the Game' scheme, which is a streamlined and delegated process for projects of up to £10,000 or £50,000 and which is aimed at providing smaller grants for small facilities projects including pitch drainage, changing room alterations, machinery maintenance, boundary fencing and replacing items such as boilers and generators.
- The 'Grow the Game' scheme – this programme provides revenue based funding that uses football to increase participation by both players and volunteers and is done by supporting the costs associated with providing new football related activities.

Grant making policy

Grass Roots Facilities Fund

Applications to the Grass Roots Facilities Fund are assessed by the Facilities Assessment Panel (FAP). The programme primarily contributes to the organisation's objective of improving facilities within local communities to influence directly the strategic development of sport in general, and football specifically.

The Foundation's prime responsibility is to provide new grassroots football facilities and replace or renovate old, dilapidated facilities where necessary for community benefit. These include changing rooms or clubhouses, grass or artificial pitches, floodlights to increase availability and multi-use games areas.

The Scheme awards grants to projects that demonstrate that they:

- Meet a local need and are therefore community led.
- Are driven by a strong football development plan with clear outcomes.
- Are financially sustainable throughout the project's life cycle.
- Have strong partnerships with other sports and organisations.

- Will sustain or increase participation amongst children and adults, regardless of background, age, or ability.
- Are technically compliant with Foundation criteria.
- Have made significant efforts to secure alternative funding sources.
- Are of value for money.

The Facilities Programme aims to target 40% of total investment into 20% of the most disadvantaged communities in the country. It also seeks to ensure that at least a third of funded sites are Multi Sport Environments, defined as a third of participants taking part in a sport other than football. This is the key target outcome of the Strategic Review detailed below. All applications for grants are assessed and judged in line with the objects of the Charity.

Grow the Game

The Chief Executive and an Executive Director, primarily the Director of Investment, have been given delegated authority (DA) by the Board of Trustees to award grants up to £5,000 in respect of applications to the 'Grow the Game' (GtG) revenue scheme, which has a £5,000 award ceiling. Projects awarded grants under the GtG scheme may not exceed three years duration. All projects must increase participation in football through the development of at least two new teams and the players and volunteers required to support them.

During 2010/11, GtG was delivered via one discrete funding window. It was the responsibility of the County Football Associations (CFAs) to screen and filter projects that were weak and/or not a strategic priority, and to provide pre-application support to ensure applications submitted were eligible, of a high quality and included all the required supporting documents. Unlike previous funding windows each region was given a notational allocation of the GtG grants based on a FA-determined 'strategic priority score' out of 100. Although it was still an open application process, we were in effect asking each CFA to 'select' their priority clubs and areas for growth in order to apply for a share of the allocation of grants for their region. This was done to ensure an even spread of recipients, and to invest the grants in the areas of greatest need.

Applications are managed by Foundation staff via a three-stage assessment process. An assessment is completed by each County Football Association (CFA), whereby each project is scored through a series of questions that include the extent to which the project is a priority for each CFA in terms of their FA National Game Strategy targets. The Foundation's Administration Support Officers completed a desktop assessment to determine an application's eligibility and financial risk. The final assessment is completed by the Foundation's Community Team Manager to ensure that the highest scoring projects across the country are supported, within the allocations for each region. All projects are submitted to the Chief Executive and the Director of Communications and Corporate Relations for approval under delegated authority.

- A total of 333 eligible applications were submitted for the 2010/11 funding window.
- A total of 281 applications were recommended to the Chief Executive for support, allocating the full 2010/11 GtG budget.

Projects are monitored annually to ensure they are achieving their aims and planned outcomes. Based upon 135 previously-funded projects which completed the first year of their GtG grant in 2010/11 and submitted an annual monitoring form, the following outputs have been achieved:

- 336 new teams have been established
- Football has 6,997 new participants
- 666 training courses have been attended.

In addition to this work, the Foundation's monitoring identified GtG projects that had not made claims for over 12 months. These projects were all reviewed to establish whether they required the outstanding monies allocated to them. As a result of this work, outstanding funds that had been allocated to 366 projects to a value of £2.3m were withdrawn and will now be available for future commitment elsewhere.

Achievements and performance

In meeting our objectives, 889 grants were awarded during the year (see note 25 for details) compared with 3,823 grants in the previous year. This reduction was in line with a reduction in available budget, with £21.9m committed in the year (2010: £40.5m).

Case studies

Modernising facilities

Since the Foundation was set up in 2000 it has worked closely with the Devon FA to support 200 grass roots sports projects across the county with grants worth £8.6m. These grants have attracted further partnership funding of £8m into the area's grass roots.

This investment has so far provided Devon with a lasting legacy of:

- 17 new pitches – real and artificial
- 20 new changing pavilions
- 29 Grow the Game grants towards club development
- 128 new, safe goal posts
- 6,000 free junior football kits

Most recently the Football Foundation awarded a grant of £808,371 to Paignton Community and Sports College to help towards the construction of a state-of-the-art £1.4m sports facility. The new complex, which was officially opened by Stuart Pearce, England's under 21's Manager, consists of a third generation (3G) artificial grass pitch, two dual gender changing rooms, two officials' changing rooms, a kitchen, office space and meeting and coaching rooms.

Speaking at the opening of a £1.4m sports facility at Paignton Community and Sports College, Stuart Pearce, said: **"This Football Foundation facility gives the whole community an opportunity to come and enjoy football and come through at whatever level. Seeing all these lads playing on the pitch is a true testament to the hard work that has gone on in creating this pitch."**

Increasing participation

Since the Foundation was set up in 2000 it has worked closely with the Durham FA to support 261 grass roots sports projects across the county with grants worth £14.7m. These grants have attracted further partnership funding of £20.7m into the area's grass roots.

This investment has so far provided Durham with a lasting legacy of:

- 32 new pitches – real and artificial
- 24 new changing pavilions
- 96 Grow the Game grants towards club development
- 88 new, safe goal posts
- 11,130 free junior football kits

Recently, the Football Foundation gave a grant of £988,869 to The Russell Foster Football Centre to help towards the construction of a £1.8m state-of-the-art football complex. The centre, which was officially opened by Jordan Henderson and Sir Trevor Brooking, has helped nurture close to £100m worth of football talent. Included in its most famous alumni is England's most expensive ever player, Andy Carroll who cut his teeth at Low Fell Juniors. As well as the former Newcastle striker, Jordan Henderson and Adam Johnson both played for Fulwell Juniors, Stuart Downing served his apprenticeship at Seaham Red Star and Michael Carrick learnt his trade at Chester le Street Boys.

21,000 active members make it the largest youth league anywhere in the country and with the provision of new facilities numbers are expected to continue to rise. The Foundation's investment has helped to provide 21 grass pitches which will cater for the needs of boys and girls in the 7-10 age group. The new sports pavilion will house eight changing rooms, office space, a classroom, and a kitchen and plant storage. More general works to the existing complex will improve access and drainage.

Jordan Henderson said: **"I am extremely proud to be present at the opening of this magnificent centre. I have extremely fond memories of my time in the Russell Foster league and will be forever thankful to people who run it because they helped develop my football career. I know that these facilities will be of fantastic benefit to the many clubs who play here and also to the wider community. It's really important to keep investing in grassroots football because that is where every footballer starts out. I'm delighted to be able to support the Football Foundation's work."**

Organisation Restructure

In August 2010 the Foundation underwent an organisational restructure, with an aim to make it a more effective organisation, whilst identifying potential cost savings following the Funding Partners' decision to focus the Foundation on its core business of grassroots facility development. As a consequence, the four directorates – Operations, Policy & External Relations, Business Services, and Strategy & Performance – plus the Funded Programmes area were rationalised into three: Investment, Business Operations, and Communications & Corporate Relations. In addition, the Foundation centralised many core services, such as Administration, Monitoring & Evaluation, and External Relations, to enhance efficiency through consolidated service provision. As a result, the Foundation's overheads have been reduced, in real terms, by £470,000 per year compared to 2009/10, and will reduce by an anticipated further £280,000 – to a total of £750,000 compared to 2009-10 – by the end of the wind-

down of some positions, in June 2012.

Key performance indicators

The Foundation's Monitoring and Evaluation Team monitors every Facilities project on an annual basis. Every project funded by the Foundation completes an online survey to determine the number and breakdown of the site users, as well as other factors such as hire costs, organisation accreditation, and volunteer development. The table below* summarises the participation increases on funded sites between the 2008/09 and 2009/10 seasons:

Participant type	% Increase
Football participants	9.9
of which male	10.7
of which female	4.5
Other sports participants	14.8
of which male	16.8
of which female	12.1
Coaches	4.7
of which male	4.5
of which female	6.6
Volunteers	12.8
of which male	13.4
of which female	11.1

*based on a sample of 606 validated matched sites.

In addition, a nominated representative of every completed project is required to attend a Support Day meeting with the Foundation and The Football Association staff to assess how much of their football development plan has been delivered, update any targets, and plan for the future. Each is then graded according to their achievements against the expectations at the point of grant offer.

Of the 270 projects involved in the process in 2010, 88.1% were at least meeting expectations, and 63.3% were exceeding them. The remaining 11.9% that were underperforming were given individual plans to remedy the issues uncovered. This suggests that Foundation projects are predominantly of good quality, and what is being assessed at the time of grant award is ultimately being delivered, if not exceeded.

Score	Description	% of projects
0	Unacceptable	1.9
1	Unsatisfactory	10.0
2	Fair	24.8
3	Exceeding	42.5
4	Excellent	17.8
5	Best Practice	3.0
	Total	100.0

Performance measurement and management

The Foundation has developed and implemented a Performance Management System, which constantly assesses the effectiveness of the organisation's grant giving process. This serves three main purposes:

- Identifies applications that are moving through the end-to-end (E2E)¹ process slower than the targeted time, allowing staff to focus on projects that require remedial action.
- Accurately projects future expenditure, predicting when applications will be approved and when they will draw down grants. This provides the Foundation with a very accurate cash flow prediction.
- Identifies sections of the E2E process that are not working as efficiently as they should be, prompting further analysis and subsequent improvement.

The system is part of the culture of continuous improvement of processes, making the organisation increasingly more effective and efficient without the need for future large-scale one-off reviews, as was required in 2006. Key performance improvements over the last year include:

- A further reduction in the average E2E process time (from application submission to built and fully paid) of over 20%, from 125 weeks to 98 weeks. This builds on the progress since 2007, which has seen the average time reduce by over half.
- Applications taking, on average, less than the target of 19 weeks to be assessed. This is a continuation of the positive trend of 2009/10.
- A reduction in the total number of projects awaiting final payment of almost 15%, falling from 67 to 58.
- A reduction in the number of projects in the overall E2E process of over a quarter, from 199 to 147. This is important as it reduced the workload burden on the Facilities Programme Managers and technical staff.

It is anticipated that the improvement in the performance of the organisation will continue, as the older, slow moving projects are moved through the grant giving process and completed. This continues to be a focus for the Foundation's Investment Team, evidenced by the 15% reduction in those projects in the 'final payment' process, and the reduction by a quarter in the number of projects in the E2E process.

¹ Defined as point of application receipt, through to assessment, grant approval, build and availability for activity.

Financial review

The consolidated statement of financial activities for the year is set out on page 14 of the financial statements. A summary of the financial results and the work of the Charity are set out below.

Income generation

The income of the Foundation is comprised primarily of donations and grants from football and sport related organisations, with an additional amount of interest earned on investments and cash balances. Donations received during the year were £35m (2010: £46m). There are no other income generating activities carried out by the Charity, although the subsidiary company generated income of £204,000 (2010: £128,000) in the year. Turnover generated in the year and prior year by the Football Foundation Trading Limited related to income received from Barclays in respect of the Barclays Spaces for Sports scheme and is to cover the administrative support to the Foundation and to meet the cost of direct scheme expenditure, for example coaching equipment issued for promotional purposes.

The movement in funds in the year reflects the balance between income recognised and the grants awarded. Donations from The Football Association and Premier League are guaranteed over a period of time. These donations are accounted for on a receivable basis in the year in which the income falls due. Funds available to the Foundation from the Sport England Lottery Funds can only be drawn down in arrears of spend. At 31 May 2011 the available balance was £7.6m; an entitlement to the income is triggered prior to the receipt of the funds themselves.

Reserves

It is the Foundation's policy that the aggregate of grants awarded will not exceed known current and future funding. The present Reserves Policy is to hold reserves at a level to fund activities in the event of a major fall in income or unforeseen expenditure while plans to replace income or change activities were put in place. Should there be any indication of a cessation of funding to any major extent the Foundation would have to implement an exit strategy that would allow all grant awards to be honoured, including the provision for sufficient staff to remain in place to meet such a requirement. Given the cyclical nature of the Foundation's funding, the Trustees will investigate with the funders an approach that will give a greater certainty to future funding and where necessary may include an exit strategy that will ensure operating costs are met.

Investment powers, policy and performance

Investment powers are governed by the company's Articles of Association, which permit the surplus funds to be invested by the Board of Directors. The Trustees intend that the real value of the Charity's investments be maintained and enhanced over the long term by investment in a low risk portfolio comprising solely of capital protected cash funds. Decisions on investment purchases and sales are made by the Audit and Remuneration Committee, which the Executive then actions. No social, environmental or ethical considerations are specified. The performance of the investments has been in line with Trustees' expectations.

The Group has cash on deposit £18.2m (2010: £1.9m) and investments in bonds of £15.7m (2010: £41.3m) at the end of the financial year. These will be used in the coming years to pay grants that the Trustees have authorised and communicated to the recipients. At the end of the financial year there were outstanding grants payable totalling £42.2m (2010: £70m). The timing for receipt of income by the Foundation is never certain, so the Trustees' policy is not to commit funds beyond known funding.

Changes in tangible fixed assets

The movements in tangible fixed assets during the year are set out in note 11 to the financial statements.

Grants awarded

An analysis of the largest grants awarded during the year can be found in note 25.

Financial risk management

The Foundation's operations expose it to a variety of risks that include liquidity risk and interest rate risk. The Trustees delegate day to day responsibility for managing these risks to the Chief Executive, Director of Business Operations and Head of Accounting & Finance.

Liquidity risk – investments and cash are managed to ensure that there are sufficient funds available to meet the liabilities of the Foundation in a timely manner. Given the poor returns available in the investment market at this time and the demand for greater liquidity caused by much improved grant claim payment processes as funds become available through disposal or maturity they are placed in interest bearing cash deposits as opposed to longer term investments. Consequently significant levels of funds are held on short term deposit and are therefore available at short notice. In addition an overdraft facility of £1m is available to address any short term liquidity problems.

Interest rate risk – this is managed by exploring the investment options available to the Foundation and investing where the best returns possible can be achieved at the lowest possible risk. Many of the Foundation's current investments were purchased at a time when the guaranteed returns were much greater than those available now.

Future activities

The Football Association, the Premier League and the Government have committed to providing the following funding in the next two financial years:

	2012	2013
The Football Association	£10m	£10m
The Premier League	£6m	£6m
The Government	£10m	£10m

Whilst the remit of the Foundation has narrowed to focus on driving participation through facility development, its strategic outcomes remain the same: making a positive impact on local communities through sports participation.

The proxy targets within the facilities scheme also remain the same: to invest 40% of its investment into the 20% most deprived areas; to ensure that 33% of facilities funding contributes to facilities with a least a third multi-sport (non-football) activity; to maximise the portfolio to meet the Football Association National Game Strategy's Football Development needs, while making the most of available funding for community and multi-sport needs; and generating sufficient applications overall to meet its annual commitment and spend targets.

Through employing this strategy, and by harnessing the popularity of the game, the Foundation has been able to ensure that people of all ages, regardless of sex, race, religion or disability have access to a new generation of football based and, where appropriate, multi-sport facilities.

“Absolutely all footballers, at some point, play or train in the grass roots game so it is very important that investment in local communities is recognised. It is the same reason why I am delighted to be involved with the Football Foundation, their work over the past decade has been absolutely outstanding.”

Sir Alex Ferguson

“When complete, these facilities will be really fantastic. Having played football in the Midlands since I was young, I know the huge benefit that this site will have for local footballers. It is great to see money from the top of the game and Sport England going into the grassroots through the Football Foundation.”

Gabby Agbonlahor

New income streams

The Foundation has been successful in securing additional funding streams to aid its charitable work. This includes £7m from the Mayor of London to deliver his Play Sport London Facility Programme, which will act as a grassroots sports facility legacy for the City of London from the 2012 Olympic Games. We will continue to build on this success to work with other government and commercial organisations that have funds available for community-based sports facility development.

“I am delighted to have opened such fantastic facilities and must place on record my praise for The Netherhall School, the Cambridgeshire FA and every individual who has made this possible. In developing sites like this the Football Foundation is helping to support the development of the grass roots game which lends significant support to the Government's aim of delivering a mass participation community sports legacy from the 2012 Olympic Games.”

Hugh Robertson MP

The Football Foundation Trading Limited

The Football Foundation Trading Limited (FFTL) was established to trade and generate funds for the Foundation. There are no restrictions on the activities of the FFTL. The main activities in the FFTL during 2010/11 were to create a new online monitoring system (Upshot) and to provide administrative support to the Foundation for the Barclays Spaces for Sports (BS4S) Programme, mentioned below. The Upshot monitoring system is due to be launched in late Summer 2011, and used both for Foundation-funded projects as well as being provided to other organisations for a licence fee. BS4S will continue to be administered by the FFTL until December 2011 under current agreements.

The FFTL is a wholly owned trading subsidiary of the Foundation and is used to administer non-charitable trading activities for the Group. The FFTL makes an annual gift aid payment to the Foundation, thereby transferring all of its taxable profits to the Charity. In 2011 no payment was made (2010: £nil) due to the FFTL not making a taxable profit.

The development of Upshot will provide an online tool to monitor the delivery and impact of Facilities and Community based projects. This will be available to all Foundation-funded projects, as well as to projects across the Third Sector not funded by the Foundation, on subscription, at very attractive market rates. The supporting business plans demonstrate comfortably that the project will meet its commitment from the revenues received from subscriptions. The costs include the employment of a full-time project manager as well as specialist consultancy and IT development costs. This majority of this cost will be incurred during the first two software development phases during 2010-11 and 2011-12 respectively.

When it is delivered, the new system will enable the Foundation and other users to make considerable savings on project monitoring and evaluation (M&E) costs. Currently, community projects that choose to use an online monitoring system must bear the costs of using a commercial M&E solution, which costs up to £2,000 per project per year. This is usually built into grants provided by the Foundation. When delivered, this new system has the potential to standardise M&E across the Third Sector and will certainly significantly reduce the cost to charitable funds.

FFTL makes an annual payment under a royalty agreement of 2% of its annual turnover to the Foundation as consideration for the use of the Charity's name and logos. The payment due to the Charity under this agreement for 2011 is £3,349 (2010: £2,562).

One of the directors of the FFTL, R C Scudamore, is also a Trustee of the Foundation. The other director, P J Thorogood, is the Chief Executive of both the FFTL and the Foundation.

Statement of Trustees' responsibilities in respect of the Annual Report and the financial statements

The Trustees, who are also directors of the Company for the purpose of company law, are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The Trustees are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Charity and Group and of the net outgoing resources, including the income and expenditure, of the Charity and Group for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business; and
- observe the methods and principles of the charities SORP.

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure of information to auditors

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

Independent auditors

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

By order of the board



Pete Fitzboydon
Company secretary
16 November 2011

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FOOTBALL FOUNDATION

We have audited the financial statements of The Football Foundation for the year ended 31 May 2011 which comprise the Consolidated Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' responsibilities set out on page 15, 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.

We have been appointed auditors under the Companies Act 2006 and section 43 of the Charities Act 1993 and report in accordance with those Acts. 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.

This report, including the opinions, has been prepared for and only for the charity's members and trustees as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and with Regulation 30 of The Charities (Accounts and Reports) Regulations 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial Statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the groups and charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 parent charitable company's affairs as at 31 May 2011, and of the group's incoming resources and application of resources, including its income and expenditure and group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 1993.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 1993 require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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.



Ian Dixon (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP,
Chartered Accountants and Statutory Auditors
1 December 2011

PricewaterhouseCoopers LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MAY 2011

(including an income and expenditure account)

	Notes	Restricted funds 2011 £'000	Unrestricted funds 2011 £'000	Total funds 2011 £'000	Total funds 2010 £'000
Incoming resources from generated funds					
Voluntary income:					
Grants and donations	2	5,521	29,412	34,933	46,075
Activities for generating funds:					
Trading income	3	-	204	204	128
Investment income	4	-	201	201	638
Other incoming resources		-	455	455	66
Total incoming resources		5,521	30,272	35,793	46,907
Resources expended					
Costs of generating funds:					
Trading costs in subsidiary company	5	-	(207)	(207)	(199)
Charitable activities:					
Grants	5,6	(5,521)	(16,383)	(21,904)	(40,472)
Governance costs	6b	-	(160)	(160)	(565)
Total resources expended		(5,521)	(16,750)	(22,271)	(41,236)
Net income before other recognised gains and losses	7	-	13,522	13,522	5,671
Unrealised loss on revaluation of investments	12	-	(349)	(349)	349
Gain on disposal of investments	12	-	317	317	-
Net movement in funds		-	13,490	13,490	6,020
Reconciliation of funds:					
Fund balances brought forward	16	-	(1,278)	(1,278)	(7,298)
Fund balances carried forward	16	-	12,212	12,212	(1,278)

All incoming resources and resources expended are derived from continuing activities. The Company had no gains or losses other than those included in the net movement in funds above, therefore no separate statement of total recognised gains and losses has been presented. There is no difference between the net movement in funds and its historical cost equivalent. The notes on pages 17 to 34 form part of these accounts.

BALANCE SHEETS AS AT 31 MAY 2011

	Notes	Group		Charity	
		2011 £'000	2010 £'000	2011 £'000	2010 £'000
Fixed assets					
Tangible fixed assets	11	<u>1,151</u>	<u>923</u>	<u>804</u>	<u>789</u>
Current assets					
Stock		5	-	5	-
Investments	12	15,680	41,338	15,680	41,338
Debtors – Due within one year	13	13,910	22,774	14,316	23,137
– Due in more than one year	13	7,564	7,583	7,895	7,583
Cash on deposit		<u>18,181</u>	<u>1,944</u>	<u>18,177</u>	<u>1,943</u>
		<u>55,340</u>	<u>73,639</u>	<u>56,073</u>	<u>74,001</u>
Creditors: amounts falling due within one year	14	<u>(38,099)</u>	<u>(64,831)</u>	<u>(38,038)</u>	<u>(64,615)</u>
Net current assets		<u>17,241</u>	<u>8,808</u>	<u>18,035</u>	<u>9,386</u>
Total assets less current liabilities		<u>18,392</u>	<u>9,731</u>	<u>18,839</u>	<u>10,175</u>
Creditors: amounts falling due after one year	15	<u>(6,180)</u>	<u>(11,009)</u>	<u>(6,180)</u>	<u>(11,009)</u>
Net assets/(liabilities)	17	<u><u>12,212</u></u>	<u><u>(1,278)</u></u>	<u><u>12,659</u></u>	<u><u>(834)</u></u>
Capital and reserves:					
Unrestricted income funds		12,238	(6,676)	12,238	(6,676)
Funds retained within a non-charitable subsidiary	16	(447)	(444)	-	-
Revaluation reserve		<u>421</u>	<u>5,842</u>	<u>421</u>	<u>5,842</u>
Total unrestricted funds	16	<u>12,212</u>	<u>(1,278)</u>	<u>12,659</u>	<u>(834)</u>
Total funds	16	<u><u>12,212</u></u>	<u><u>(1,278)</u></u>	<u><u>12,659</u></u>	<u><u>(834)</u></u>

The financial statements, which comprise the consolidated statement of financial activities, the group and charity balance sheets, the consolidated cash flow statement and the related notes were approved by the board of Trustees and signed on its behalf on 17 September 2009 by:



Roger Burden
Trustee

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2011

	Notes	2011 £'000	2010 £'000
Net cash (outflow) from operating activities	18	(9,172)	(16,671)
Returns on investments and servicing of finance			
Interest received		201	638
Total returns on investments and servicing of finance		201	638
Capital expenditure and financial investment			
Sale of investments	12	25,309	18,300
Purchase of tangible fixed assets	11	(418)	(723)
Gain on sale of investments	12	317	160
Total capital expenditure and financial investment		25,208	17,737
Net cash outflow before financing		16,237	1,704
Decrease in cash in the year	20	16,237	1,704

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2011

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in March 2005, and the Companies Act 2006. A summary of the principal group accounting policies, which have been applied consistently unless stated, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention except for investments which have been included at redemption value where this is guaranteed.

Basis of consolidation

The consolidated statement of financial activities, the consolidated balance sheet and the consolidated cash flow statement include the financial statements of the Charity and its subsidiary undertaking made up to 31 May 2011. The subsidiary has been consolidated on a line by line basis. Intra group transactions and profits are eliminated fully on consolidation.

The Charity has adapted the Companies Act formats to reflect the Charities SORP and the special nature of the Charity's activities. No separate SOFA has been presented for the Charity alone as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the 2005 SORP. The amount of the net incoming resources for the year dealt with in the Charity's financial statements is disclosed in note 10.

Incoming resources

Voluntary income, including donations and grants that provide core funding or are of a general nature are included in the statement of financial activities on the following bases:

All donations received are recognised when the Foundation is entitled to funds, where there is certainty of receipt and the amount can be reliably quantified. Donations from the Football Association and Premier League are accounted for in the year to which the funders have indicated that the income is for. Donations to the restricted fund are recognised on a receivable basis, where there is signed funding agreement and there is commitment by the Foundation of such funds to the agreed programme.

Income from commercial trading activities is recognised as earned (as the related goods and services are provided).

Investment income is recognised on a receivable basis.

Resources expended

Expenditure is recognised when a liability is incurred. Grants payable are recognised in the statement of financial activities 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 payment of the grants.

Charitable activities include expenditure associated with sport related grants and include both the direct and support costs relating to these activities.

Governance costs include those incurred in the governance of the Charity and its assets and are primarily associated with constitutional and statutory requirements.

Support costs include the central functions of finance, human resources, information technology, external relations and general administration, and have been allocated to activity cost categories on a basis consistent with the use of resources.

Irrecoverable Value Added Tax

Any irrecoverable VAT is charged to the statement of financial activities, or capitalised as part of the cost of the related asset, where appropriate.

Operating leases

Rental costs are recognised in the statement of financial activities on a straight line basis over the seven year term of the lease. This includes an initial fifteen month 'rent free period' with appropriate costs accrued over this period which will later be offset against the actual costs incurred to the end of the seventh year.

Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

Fund accounting

The funds of the charity have been segregated as follows: Restricted Funds consist of donations and grants received, for which the donor or grant giver has specified the purposes for which the resources can be utilised. Outgoing resources on restricted funds reflect the appropriate expenditure that has been charged to those funds.

All other funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Pension costs

The Charity makes contributions to defined contribution pension schemes on behalf of certain staff members, the assets of which are held separately from those of the Charity in an independently administered fund. The cost of these contributions is charged in the financial statements as incurred.

Tangible fixed assets and depreciation

Capitalisation and replacement

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Assets of over £250 are capitalised.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of tangible fixed assets, less their estimated residual values, over the expected useful economic lives of the assets concerned. Assets in the course of construction are not depreciated until they are brought into use. The principal annual rates used for this purpose are:

	Years
Fixtures and fittings – straight line	10
Computer equipment – straight line	4
Computer equipment: REFF database – straight line	7
Motor vehicles – straight line	5

Investments

These are stated at the trustees' best estimate of market value which is the guaranteed return on redemption or market value where this is higher.

Deferred capital grants

In 2002, the subsidiary company received a capital grant from the Foundation relating to the costs of developing the Register of English Football Facilities (REFF). This grant has now been fully released to the profit and loss account.

Related party transactions

Financial Reporting Standard 8 "Related party transactions" requires the disclosure of the details of material transactions between the reporting entity and related parties. The company has taken advantage of exemptions under Financial Reporting Standard 8 not to disclose transactions with group companies.

Deferred taxation

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

2. Voluntary income

Group	2011 £'000	2010 £'000
Unrestricted		
The Football Association	11,412	12,188
Premier League	6,000	12,187
Government funds managed by Sport England	12,000	15,000
Barclays Spaces for Sports	-	138
	<u>29,412</u>	<u>39,513</u>
Restricted		
Nike	160	37
Kickz	(259)	-
Sport England: CCDP	3,650	3,780
Premier League/Players Football Association	280	1,739
Comic Relief	-	256
Premier League Health	81	580
Ahead of the Game	-	70
Whizzkids	46	10
Inside Right	42	170
Playsport London	1,214	17
Stand up Speak up	(18)	(97)
Extra Time	290	-
PLRS	35	-
	<u>5,521</u>	<u>6,562</u>
Total donations	<u><u>34,933</u></u>	<u><u>46,075</u></u>

The negative income relating to the Stand up Speak up and Kickz programmes relates to previously recognised income as grants under the scheme were committed. Some of these grants were not fully spent and these balances are returnable to the original funder

3. Subsidiary undertaking

The subsidiary undertaking of the Charity, Football Foundation Trading Limited (FFTL), is a company registered in England and Wales in which the Charity holds 1 £1 ordinary share representing 100% of the issued share capital. The Company administers a significant part of the Barclays Spaces for Sports project. The Company also administers the Register of English Football Facilities (REFF), which provides a detailed register of all football playing fields within England.

The subsidiary donates any taxable profits to the Charity each year by gift aid. In addition the subsidiary pays 2% of its turnover to the Charity under a royalty agreement as consideration for the use of the Charity's name and logos. The Company's trading results for the year, as extracted from the audited financial statements, are summarised below:

	2011	2010
	£'000	£'000
Turnover	204	128
Administration expenses	(207)	(363)
Release from deferred capital grants	-	164
Loss of subsidiary	(3)	(71)

Turnover includes £166,428 (2010: £124,000) for services to the Charity.

	2011	2010
	£'000	£'000
Tangible fixed assets	348	135
Current assets	59	5
Current liabilities	(523)	(584)
Liabilities falling due after one year	(331)	-
Net liabilities	(447)	(444)

4. Investment income

Group	2011	2010
	£'000	£'000
Interest receivable on cash on deposit	126	88
Interest received on investment	75	550
	201	638

5. Analysis of resources expended

Group	Direct staff costs	Other direct costs	Support costs	2011 Total	2010 Total
Activity:	£'000	£'000	£'000	£'000	£'000
Awarding of grants					
Grants payable (see note 25)	1,014	17,976	2,914	21,904	40,472
Governance (see note 6b)	90	47	23	160	565
Trading costs	90	44	73	207	199
	<u>1,194</u>	<u>18,067</u>	<u>3,010</u>	<u>22,271</u>	<u>41,236</u>

Support costs are further analysed in note 6.

6. Allocation of support costs and analysis of governance costs

6a. Allocation of support costs

Group	Grant funding	Governance	Trading	2011 Total	2010 Total
Activity:	£'000	£'000	£'000	£'000	£'000
Indirect staff costs	1,550	-	-	1,550	945
Travel and meetings	98	2	-	100	119
Office and premises	1,001	21	73	1,095	1,017
Public relations and marketing	121	-	-	121	150
Recruitment and training	71	-	-	71	44
Consultancy	62	-	-	62	129
Accountancy and professional	11	-	-	11	4
	<u>2,914</u>	<u>23</u>	<u>73</u>	<u>3,010</u>	<u>2,408</u>

6b. Analysis of governance costs

Group	2011	2010
Activity:	£'000	£'000
External audit	28	28
Accountancy and professional services	-	9
Legal and other professional fees	-	82
Direct staff costs	90	349
Apportionment of support costs	23	97
Trustee Board Costs	19	-
	<u>160</u>	<u>565</u>

7. Net income before other recognised gains and losses

Group	2011 £'000	2010 £'000
Net income before other recognised gains and losses is stated after charging/(crediting):		
Depreciation on tangible assets	176	333
Loss on disposal of tangible fixed assets	9	10
Amortisation of deferred capital grants	-	(164)
Auditors' remuneration for:		
Audit services	28	25
Taxation and other services	11	11
	<u>11</u>	<u>11</u>

The Charity incurred audit costs of £28,140 including VAT (2010: £25,850) and taxation and other services costs of £11,000 (2010: £11,000). Audit costs of £8,340 excluding VAT incurred by the trading subsidiary are included within the trading costs.

8. Employee information

Group	2011 Number	2010 Number
The average number of persons employed by the Group during the year was:		
Administration	<u>57</u>	<u>80</u>

Group	2011 £'000	2010 £'000
Staff costs (for the above persons)		
Wages and salaries	2,266	2,742
Social security costs	249	291
Pension costs	141	130
Redundancy	37	-
	<u>2,693</u>	<u>3,163</u>

Charity	2011 Number	2010 Number
The average number of persons employed by the Charity during the year was:		
Administration	<u>55</u>	<u>78</u>

Charity	2011	2010
	£'000	£'000
Staff costs (for the above persons)		
Wages and salaries	2,187	2,696
Social security costs	241	286
Pension costs	138	130
Redundancy	37	-
	2,603	3,112

The Foundation operates a defined benefit contribution scheme contributing 8% of gross salaries on behalf of employees. Pension costs to the Foundation were £124,000 for the financial year and there was no prepaid or outstanding pension cost at the end of the financial year.

The number of employees whose emoluments exceeded £60,000 were:

Group and Charity	2011	2010
	Number	Number
£70,001 - £80,000	-	3
£80,001 - £90,000	3	2
£90,001 - £100,000	1	-
£150,001 - £160,000	-	1
£180,001 - £190,000	1	-

For those staff whose emoluments exceeded £60,000, pension contributions amounting to £32,901 (2010: £35,171) were paid for the provision of money purchase benefits. No trustee/director received any remuneration from the Charity during the year. Richard Caborn is a trustee of the Foundation and during the financial year 2010/11 he was reimbursed with £1,427 as expenditure incurred on behalf of the Foundation.

Indemnity insurance for directors'/trustees' liability has been purchased by the Group at a cost of £4,988 (2010: £6,698).

9. Taxation

The parent Company is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The Charity is not registered for VAT and, accordingly, all its expenditure is recorded inclusive of any VAT incurred.

Football Foundation Trading Limited is registered for VAT, and consequently all its income and expenditure is recorded net of VAT. Football Foundation Trading Limited gift aids all of its taxable profits to the Charity, resulting in no liability to corporation tax.

No deferred tax asset has been recognised on the losses arising in FFTL on the basis that sufficient profits cannot be guaranteed at this stage of the Company's development.

10. Net incoming resources dealt with in the Charity's financial statements

The incoming resources attributable to the Charity were £41.1m (2010: £46.8m). The net incoming resources for the year attributable to the Charity were £13.5m (2010: £5.7m).

11. Tangible fixed assets

Group	Fixtures & fittings £'000	Computer equipment £'000	Motor vehicles £'000	Asset under construction £'000	Total £'000
Cost					
At 1 June 2010	678	3,170	41	107	3,996
Additions	19	-	-	399	418
Disposals	(20)	-	(41)	-	(61)
At 31 May 2011	677	3,170	-	506	4,353
Accumulated depreciation					
At 1 June 2010	126	2,907	40	-	3,073
Charge in year	69	107	-	-	176
Disposals	(7)	-	(40)	-	(47)
At 31 May 2011	188	3,014	-	-	3,202
Net book value					
At 31 May 2011	489	156	-	506	1,151
At 31 May 2010	552	263	1	107	923
Charity					
Charity	Fixtures & fittings £'000	Computer equipment £'000	Motor vehicles £'000	Asset under construction £'000	Total £'000
Cost					
At 1 June 2010	641	865	41	-	1,547
Additions	19	-	-	163	182
Disposals	-	-	(41)	-	(41)
At 31 May 2011	660	865	-	163	1,688
Accumulated depreciation					
At 1 June 2010	106	612	40	-	758
Charge in year	65	101	-	-	166
Disposals	-	-	(40)	-	(40)
At 31 May 2011	171	713	-	-	884
Net book value					
At 31 May 2011	489	152	-	163	804
At 31 May 2010	535	253	1	-	789

12. Investments

	2011	2010
Group and Charity	£'000	£'000
At 1 June	41,338	59,289
Disposal proceeds	(25,626)	(18,300)
Realised gain on disposal	317	-
Unrealised loss on revaluation	(349)	349
At 31 May	15,680	41,338

The investments above relate to bonds and are stated at the trustees' best estimate of market value, which is the guaranteed return on redemption or market value where this is higher. Guaranteed return on investment is an appropriate basis for valuation, as the terms of these investments state that the capital is 100% guaranteed, therefore any notional loss at the year end has not been recognised as it is not the trustees' current intention to sell these before maturity. All investments are held in the UK.

Material investment holdings comprised:

	2011		2010	
	Value £'000	Percentage of investment portfolio	Value £'000	Percentage of investment portfolio
BNP Paribas 100% protected 5-year Instalment note linked basket index November 2010	-	-	3,000	7%
Merrill Lynch GBP 3 year Global Equity Bond 105% June 03 2010	-	-	6,515	16%
Merrill Lynch 3-year Global Equity Bond 100% protected Dec 2010	-	-	5,500	13%
Barclays 5-year 100% protected equity note August 2011	9,002	57%	9,084	22%
Barclays 3-year Trendstar 100% protected note March 2011	-	-	5,500	13%
Barclays 4-year 100% protected commodity note January 2012	5,712	36%	5,712	14%
Barclays Morgan Stanley 3-year FTSE 350 100% protected note March 2011	-	-	5,000	12%

13. Debtors

	Group		Charity	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Amounts falling due within one year:				
Amounts due from subsidiary undertaking	-	-	262	367
Prepayments and accrued income	12,386	19,937	12,346	19,933
Other debtors	74	2,147	66	2,147
Amount due from The Football Stadia Improvement Fund	1,450	690	1,642	690
	13,910	22,774	14,316	23,137

No interest is charged on subsidiary undertaking balances.

	Group		Charity	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Amounts falling due within more than one year				
Amounts due from subsidiary undertaking	-	-	331	-
Accrued income	7,564	7,583	7,564	7,583
	7,564	7,583	7,895	7,583

14. Creditors: amounts falling due within one year

	Group		Charity	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Bank overdraft	-	61	-	24
Grants payable	36,063	59,055	36,063	59,055
Taxation and social security costs	10	20	10	20
Trade creditors	363	366	321	354
Other creditors	17	162	16	7
Accruals and deferred income	1,646	5,167	1,628	5,155
	38,099	64,831	38,038	64,615

15. Creditors: amounts falling due after more than one year

	Group		Charity	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Grants payable	6,180	11,009	6,180	11,009
	<u>6,180</u>	<u>11,009</u>	<u>6,180</u>	<u>11,009</u>

Deferred capital grant

	2011	2010
	£'000	£'000
Opening balance at 1 June	-	163
Release of deferred capital grant	-	(163)
Closing balance at 31 May	<u>-</u>	<u>-</u>

16. Funds

Group	2010 Balance £'000	Incoming resources £'000	Resources expended £'000	Investment gains/(losses) £'000	2011 Balance £'000
Unrestricted funds					
General reserve	(1,604)	30,068	(16,543)	317	12,238
Revaluation reserve	770	-	-	(349)	421
Funds retained within a non-charitable subsidiary	(444)	204	(207)	-	(447)
Restricted funds					
PL/PFA	-	280	(280)	-	-
CCDP	-	3,650	(3,650)	-	-
Nike	-	160	(160)	-	-
Extra Time	-	290	(290)	-	-
Premier League Health	-	81	(81)	-	-
Whizzkids United	-	46	(46)	-	-
Inside Right	-	42	(42)	-	-
Play Sport London	-	1,214	(1,214)	-	-
SUSU	-	(18)	18	-	-
Kickz	-	(259)	259	-	-
PLRS	-	35	(35)	-	-
Total funds	<u>(1,278)</u>	<u>35,793</u>	<u>(22,271)</u>	<u>(32)</u>	<u>12,212</u>

Charity	2010 Balance £'000	Incoming resources £'000	Resources expended £'000	Investment gains/(losses) £'000	2011 Balance £'000
Unrestricted funds					
General reserve	(1,604)	30,068	(16,543)	317	12,238
Revaluation reserve	770	-	-	(349)	421
Restricted funds					
PL/PFA	-	280	(280)	-	-
CCDP	-	3,650	(3,650)	-	-
Nike	-	160	(160)	-	-
Extra Time	-	290	(290)	-	-
Premier League Health	-	81	(81)	-	-
Whizzkids United	-	46	(46)	-	-
Inside Right	-	42	(42)	-	-
Play Sport London	-	1,214	(1,214)	-	-
SUSU	-	(18)	18	-	-
Kickz	-	(259)	259	-	-
PLRS	-	35	(35)	-	-
Total funds	(834)	35,589	(22,064)	(32)	12,659

17. Analysis of the net liabilities between funds

Group	General fund £'000	Restricted funds £'000	Balance 2011 £'000
Tangible fixed assets	1,151	-	1,151
Net current assets	17,241	-	17,241
Long term liabilities	(6,180)	-	(6,180)
Net assets/(liabilities)	12,212	-	12,212
Charity	General fund £'000	Restricted funds £'000	Balance 2011 £'000
Tangible fixed assets	804	-	804
Net current assets	18,035	-	18,035
Long term liabilities	(6,180)	-	(6,180)
Net assets/(liabilities)	12,659	-	12,659

18. Reconciliation of net incoming/(outgoing) resources to net cash outflow from operating activities

Group	2011 £'000	2010 £'000
Continuing activities		
Net incoming/(outgoing) resources for the year	13,490	6,020
Depreciation of tangible fixed assets	176	333
Interest income	(201)	(638)
Loss on disposal of fixed assets	14	10
Loss on revaluation of investments	349	(349)
Gain on disposal of investments	(317)	-
Decrease in debtors	8,883	1,377
Decrease in creditors	(31,561)	(23,424)
Increase in stock	(5)	-
Net cash (outflow) from operating activities	<u>(9,172)</u>	<u>(16,671)</u>

19. Analysis of changes in net funds during the year

Group	At 1 June 2010 £'000	Cashflow £'000	At 31 May 2011 £'000
Net cash:			
Cash on deposit	1,944	16,237	18,181
Net funds	<u>1,944</u>	<u>16,237</u>	<u>18,181</u>

20. Reconciliation of net cash flow to movement in net funds

Group	
Increase in cash	<u>16,237</u>
Change in net funds:	
Net funds at 1 June 2010	<u>1,944</u>
Net funds at 31 May 2011	<u>18,181</u>

21. Operating leases

Annual commitments in respect of land and buildings under operating leases:

	31 May 2011	31 May 2010
Operating leases which expire:		
Within one year	6,095	-
After five years	491,486	467,446
	<u>497,581</u>	<u>467,446</u>

22. Commitments

All grant commitments have been recognised once a grant offer letter has been issued.

23. Capital

The Charity is a company limited by guarantee. Each member has undertaken to contribute £1 to the assets of the company to meet its liabilities if called on to do so. The total amount guaranteed by members at 31 May 2011 is £2 (2010: £2).

24. Related party transactions

The Charity has taken advantage of the exemption provided by Financial Reporting Standard No. 8 on Related Party Transactions from disclosing transactions with entities, 100% of whose voting rights are controlled within the Group, and where consolidated financial statements are publicly available.

Mr R C Scudamore is the Chief Executive of The Premier League. The Premier League donated £6m (2010: £12.2m) to The Football Foundation during the year.

Mr R. Burden is a director of The Football Association. The Football Association donated £12m (2010: £12.2m) to The Football Foundation during the year.

The Foundation's staff are employed under joint contracts with The Football Stadia Improvement Fund. A proportion of staff costs are recharged to The Football Stadia Improvement Fund together with an element of the running costs of the Foundation.

25. Grants paid during the financial year

Grants awarded during the financial year amounted to £21.9m (2010: £40.5m). A list of the largest 100 grants awarded during the year is provided below. Each of these organisations received at least one grant in the year. The grants payable disclosed exclude grant delivery costs amounting to £3.5m (2010: £3.6m). No grant has been made to any individual.

Grass roots grants awarded:	£	£
Cheshire East Council	910,000	Wrotham School 250,966
Droylsden Youth Centre	864,679	Hebburn Comprehensive School 249,000
Wyrley JFC	818,840	Saffron Dynamo Football Club 228,596
Middlesbrough Borough Council	785,398	South Gloucestershire Council 225,830
Oxford City Football Club	732,194	Poppleton JFC 225,000
Lancashire County Council	571,590	Swindon Borough Council 224,470
London Borough of Richmond Upon Thames	547,138	Peterborough City Council 220,688
Huntingdonshire District Council	500,000	Staffordshire and Moorlands DC 202,000
London Borough of Enfield	473,998	Ashlyns School 200,000
Boldmere Sports and Social Club	464,129	Robert May's School 200,000
Tewkesbury School	460,721	Walsham Le Willows Sports Club 185,961
Worthing Borough Council	453,399	Meadow Park FC 153,529
Southfields Community College	449,116	Biddick School Sports College 152,000
The Priory School	400,000	Colne Community School 134,381
Derbyshire County Council	397,100	The Blyth School 131,420
Cromwell Community College	369,750	Brent Council 129,136
Chippenham Town Council	351,229	Kings Cliffe and Area Community Sports College 122,700
Activity Sheffield – Sheffield City Council	350,000	Iver Parish Council 115,639
Raynes Park High School	339,364	Farringdon Community Sports College 94,594
Dewsbury Rangers	333,229	Cedar Hall Special School 89,652
St Mary's School	325,000	Edenthorpe Parish Council 84,257
Corby Borough Council	300,791	Brantham Management Limited 82,428
Mounts Bay School & Community Sports College	287,320	Weymouth College 80,175
Lawford Junior FC	265,283	Longfield School 52,679
Blackburn Community Sports Club	263,356	Cheshire East Council 52,500
Woking Borough Council	252,854	Northampton Borough Council 41,532
Total		<u>16,195,611</u>

Community grants awarded and accepted:

	£		£
HMP Wandsworth	150,000	Tranmere Rovers in the Community	105,024
SkyWay	149,438	Groundwork Stoke-on-Trent	89,726
Boston United FITC	148,606	Northamptonshire County FA	82,973
West Sussex Fire and Rescue Service	139,500	The Jason Roberts Foundation	82,046
Charlton Athletic Community Trust	139,450	Blackpool FITC	74,314
Down's Syndrome Association	125,916	Charlton Athletic Community Trust	70,056
The Access to Sport Project	124,571	Active Communities Network Limited	69,062
Royal Borough of Kensington and Chelsea	117,355	Dulwich Hamlet FC FITC	65,653
Total			<u>1,733,690</u>

Whole Sport Plan awarded and accepted:

	£		£
Blackburn Community Sports Club	250,000	Swindon Borough Council	150,000
Boldmere Sports and Social Club	250,000	Ashlyns School	100,000
The Priory School	250,000	Brent Council	100,000
Oxford City Football Club	200,000	Cheshire East Council	100,000
South Gloucestershire Council	200,000	Wyrley JFC	100,000
Weymouth College	200,000	Edenthorpe Parish Council	92,000
Saffron Dynamo Football Club	170,000	Meadow Park FC	84,048
Long Lane JFC	150,000	Corby Borough Council	54,183
Poppleton JFC	150,000	Walsham Le Willows Sports Club	50,000
Total			<u>2,650,231</u>

PL/PFA awarded and accepted:

	£		£
Arsenal in the Community	35,000	Burnley FC Community Sports Trust	119,812
Burnley FC Community Sports Trust	34,000		
Total			<u>188,812</u>

Nike awarded and accepted:

	£		£
Sports Action Zone	90,000	Arsenal in the Community	70,000
Total			<u>160,000</u>

Play Sport London awarded and accepted:

	£		£
London Borough of Enfield	250,000	City of London	50,000
London Borough of Bexley	200,000	Southwark Council	50,000
Redbridge Sports & Leisure	200,000	Westway Development Trust	42,000
Coolhurst Lawn Tennis & Squash Club	100,000		
Total			<u>892,000</u>

Kickz awarded and accepted:

	£
Reading FITC	43,750
Total	<u>43,750</u>

Kickz awarded and accepted:

	£
MK Dons Sport & Education Trust	32,106
Total	<u>32,106</u>