



THE ARSENAL FOUNDATION

Annual Report and Financial Statements

For the year ended 31 May 2021

Company Number: 07923266
Registered Charity Number: 1145668

The Arsenal Foundation

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

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The Arsenal Foundation

Directors and Trustees - Legal and Administration information

The Trustees present their annual report and the unaudited Financial Statements for the year ended 31 May 2021.

Charity Name

The Arsenal Foundation

Company Number

07923266

Charity Number

1145668

Registered Office

Highbury House
75 Drayton Park
London N5 1BU

Constitution

Incorporated on 25 January 2012 as a Company limited by Guarantee and a Registered Charity to take over the activities of the unincorporated Charitable Trust, The Arsenal Foundation.

Directors and Trustees

The Trustees who have served throughout the year 2020/2021 and up to the date of signing are:

K J Friar
D Miles (Resigned 30th June 2021)
A Sefton
S Geissmar
A Jolly
F Hudson
V Venkatesham

Bankers

Barclays Bank Plc
Holloway & Kingsland Business Centre
London, E8 2JX

Solicitors

Muckle LLP
Time Central
32 Gallowgate
Newcastle Upon Tyne, NE1 4BF

Independent Examiner

Deloitte LLP
3 Rivergate
Temple Quay, BS1 6GD

The Arsenal Foundation

Trustees' Annual Report

The Trustees, who are also directors of the charitable company, present their annual report which includes the directors' report and the unaudited Financial Statements for the year ended 31 May 2021.

Governing Document

The Arsenal Foundation is a company limited by guarantee (company no. 07923266) incorporated in the UK and registered charity (charity no. 1145668) in England and Wales by a Memorandum and Articles of Association. Registered address is Highbury House, 75 Drayton Park, London N5 1BU.

The Financial Statements have been prepared in accordance with the Companies Act 2006 and the Statement of Recommended Practice – Accounting and Reporting by Charities 2019 (SORP 2019), and applicable UK accounting standards. We have taken due regard to public benefit guidance published by the Charity Commission. The Trustees' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemptions, and accordingly exemption has been taken from the requirement to prepare the Strategic Report.

Key Management Personnel

The Trustees consider the Board of Trustees as the Key Management Personnel of the charity in charge of directing and controlling the charity. All Trustees give their time freely and no Trustee remuneration was paid in the year (2020: £nil). Details of Trustee expenses are disclosed in note 2 of the accounts.

David Miles retired as a Trustee in June 2021. The Chair and Trustees acknowledged and thanked David for his years of dedication and engagement with the Board on all matters pertaining to The Arsenal Foundation. The Trustees thanked David for the impact his engagement and expert advice has had on the lives of thousands of young people and their families, who are supported through The Arsenal Foundation.

Risk Management and our ongoing response to the pandemic

The principal risk to The Arsenal Foundation, as documented in previous annual reports, has been that donations reduce, and projects cannot be funded. We have outlined the mitigations in place later in this section.

The pandemic continued to have a significant impact on income generation in 2020/21. This was due to the cancellation of our key fundraising event, our annual gala "Night to Inspire", for a second year in a row (May 2020 and May 2021), the need to re-schedule and subsequently cancel other challenge events most notably "Challenge Jordan" and the fact that matches continued to be played behind closed doors in line with government regulations including during our annual Arsenal Giving Together campaign in December 2020.

The Trustees continued to review the impact of the pandemic on income generation whilst ensuring commitments made to partners in 20/21 were met, so that beneficiaries were not disadvantaged. It was agreed that any new commitments would be made on a case-by-case basis.

To continue with our flagship programme Coaching for Life, a commitment was made to our partner Save the Children in April 2021 for implementation during 2021/2022. The previous three-year 2018-2020 programme, which had continued to operate remotely during the pandemic and with a no cost extension agreed with Save the Children, ended in Feb 2021. Therefore, the April 2021 commitment would cover implementation until the end of February 2022. Funds secured by Save the Children UK from Save the Children Italy would enable the programme to run without a gap in implementation from February 2021. This commitment enabled us to retain key staff and coaches on the ground.

Since the implementation of many of our local community projects was delayed because of Covid restrictions, therefore reduced grant awards were made during the year. However, we expect to utilize funds towards these activities once they resume. This is reflected in our year end reserves figures of £1,037,433 for 20/21.

Trustees' Annual Report

Although we ended the year with reserves of £1,037,433, this included restricted funds carried forward of £780,381. This meant that our balancing unrestricted reserves for 21/22 would fall below our reserves policy of approx. 12 months operating expenses. Trustees reviewed these figures and agreed a revised unrestricted reserves target of £400,000, with the intention to continue to build up reserves in our five-year forecast through increased fundraising, resuming fundraising events and engaging with our high net worth donors.

This revised reserve level for 21/22 with the intention to build back up reserves over the five-year forecast would enable us to continue with our work in the local community, retaining our key values and responsibilities to those most in need in our local communities where we have worked for decades.

Neither The Willow Foundation or Islington Giving, charity partners who have previously received grants from The Arsenal Foundation, received funds in 20/21 with the Gunners Fund being repurposed for our Covid 19 response to support local charities and organisations that would have been supported through the Gunners Fund. The Trustees confirmed that exposure to the level of reserves risk was regularly reviewed, and as stated, the new agreed reserve level plus no commitments, other than Save the Children, in 2020/21 had been established to mitigate this risk.

The Trustees have also ensured the activities of The Arsenal Foundation were and continue to be compliant throughout the pandemic by adhering to government regulations in relation to the health and safety of those participating in the programmes we support. This was reviewed regularly with our partner organisations on the ground.

In relation to income and in line with government regulations, our largest fundraising event of 2021, A Night to Inspire, was cancelled. We also postponed our trek to Jordan which was due to take place in March 2021. Reputational mitigation included communications to all potential donors and in the case of the trek the opportunity to rebook for a later date in March 2022. However, the trek has now, on the advice of our event partners, due to the difficulty in securing insurance for such a trip during a pandemic, been cancelled. In this current climate donors have shown their willingness to continue to support The Foundation. In relation to the trek event in Jordan, 80% of those signed up in 2020 had in 20/21 rolled over their commitment to March 2022.

The income lost in 2020/21 based on the last charity ball totals approx. £420,000.

We continue to review the impact of the pandemic on our income streams with mitigation plans in place to continue to fundraise by engaging our players, our high-net-worth donors, and potential institutional donors through direct asks. Except for our commitment to Save the Children which was agreed in April 2021, we did not make any further long term or material commitments in FY21. Please see note 13 of the accounts for additional information on future funding commitments. We continue to review grant applications and will consider them on a case-by-case basis considering the levels of income and reserves at the time of application and the timeframe of the cashflow required. We are hopeful that once income levels return, we will be able to make longer-term new commitments to funding recipients once again.

To mitigate any reputational risk, The Arsenal Foundation carries out appropriate due diligence on its core partners and on grantees. Further, regular reporting from grantees ensures that donations are appropriately used.

The Trustees have considered the potential implications on The Arsenal Foundation of the UK leaving the European Union. The Trustees are satisfied that the objectives of The Arsenal Foundation and its on-going activities are not negatively impacted by the departure of the UK from the European Union. The Trustees will continue to monitor the legal, regulatory, and economic developments related to Brexit and any potential impact on The Arsenal Foundation.

In November 2020 Arsenal FC became the first Premier League club to sign up to the UN Sports for Climate Action Framework. The UN initiative aims to bring together the global sports community with a commitment to align with the goals of the Paris Agreement and support the ambition to achieve climate neutrality by 2050. In a 2019 study by the BBC and the United Nations-backed Sport Positive Summit, Arsenal FC topped the league table on sustainability among Premier League clubs. We are proud to build on the work we are already doing in this area and encourage positive climate action to our millions of supporters around the world. At the Arsenal Foundation we undertake due diligence on all partners including reviewing climate change practices.

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As The Arsenal Foundation is a grant making foundation and has no direct employees other than those seconded from Arsenal FC, the Trustees do not believe that there are any other material risks.

Objectives

The objectives of the charity are:

- To relieve sickness or distress of any persons through such means as the Trustees think fit, including, in particular (but not by way of limitation) among those who may be injured while participating in any sport and of any dependent of any person(s) who may be injured or killed while participating in any sport.
- To promote community participation in healthy recreation by providing facilities for the playing of association football and other sports capable of improving health ("facilities" for this purpose, means land, buildings, equipment and organising sporting activities).
- To provide and assist in providing facilities for sport, recreation or other leisure time occupation to such persons who have need for such facilities by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving their conditions of life.
- To advance the education of children and other persons (including their academic, social, physical education and skills training) through such means as the Trustees think fit in accordance with applicable laws.
- To relieve poverty, hardship and economic deprivation within the community by providing financial and other material assistance for those in need or by such other means as the Trustees think fit.

The Arsenal Foundation Activities

The Arsenal Foundation continues its work to provide inspiration and support to young people to build their confidence and life skills to help them envisage a future in which they can fulfil their potential. When young people have a safe place to play, such as our football pitches and are engaged in activities which build their self-worth and self-esteem and do so in the presence of our coaches as trusted adults, we know this mitigates the risk of them being involved in activities which could negatively impact their futures, their communities and the wider public benefit. The public benefit of the programmes we support is to mitigate these risks and ensure young people are better prepared to contribute to society. At The Arsenal Foundation we fund projects in our local community in Islington, Hackney and Camden and internationally largely through our global partnership with Save the Children. Throughout the pandemic we have adapted our activities to ensure we supported those most in need in our communities.

The Foundation works closely with partners including Save the Children and Islington Giving to assess needs and respond appropriately. Through these partnerships, we continue to be able to reach a substantial number of young people in the UK and overseas using the Arsenal name and expertise in football to motivate and inspire beneficiaries through several diverse projects.

Supporting our Global Communities - Coaching for Life Partnership

This year, through our partnership with Save the Children we continued to co-design and deliver the Coaching for Life project, creating specialist modules that utilise football activities to provide participants with the opportunity to improve their physical and mental health and well-being and to further their life skills. This project continues to be developed in the Za'atari refugee camp in Jordan. Our three-year contractual programme in Indonesia ends in Feb 2022.

- During the pandemic, we worked very closely with Save the Children's team on the ground to co-create adaptations to our Coaching for Life programme so that it could be delivered remotely.

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- Post May 2020 – When restrictions in Za'atari camp were lifted, we continued to use our expertise and our experience of working in our local communities in North London. We did this by sharing and advocating the social distancing models we had developed for use in the UK. The level of detail and expert design within these modules gave the UNHCR (United Nations High Commissioner for Refugees) camp authorities and the refugee communities themselves confidence to sign off on socially distanced football sessions resuming. Without a detailed plan and models available, football sessions would not have resumed in the camp. Once again, this sharing of expertise helped to advocate even stronger relations with the camp authorities and the communities we supported.
- Post Feb 2021 – Building on the impact of the previous three-year phase, The Arsenal Foundation and Save the Children began implementation of a transition year in Jordan, in which we continued to support Syrian refugees in Za'atari camp. Delivering two cycles of Coaching for Life, each cycle for 20 weeks, we aim to sustain and advance the impact of the programme to improve the physical, emotional, and mental well-being of 960 children aged 10 to 18 years in the camp.
- In Jakarta, Coaching for Life was delayed due to strict government regulations around the pandemic. The current Coaching for Life programme will now run until February 2022. The longer programme delay in Indonesia is due not only to government regulations and a strict lockdown but also because we are working in slum communities where there is less access to digital devices and therefore the take up of remote delivery sessions is much more difficult. However, we have continued to send the communities messages of support and some of our female players have dialed in to speak to the young girls on the programme, which was a real boost. We also have held a workshop with the delivery team on the ground using the time to review lessons learnt from the previous year and to adapt programme modules to ensure greater levels of engagement.

For the transition year, we strengthened our model based on the lessons learnt in Phase 1 of programme implementation by;

- Expanding the age criteria for children to participate (10-17) - children can now enroll when they are 10, rather than 12, following community feedback that 10-year olds would love to join. Ensuring children's voices drive the programme – placing children at the centre of their community, by listening to their views and ensuring their active participation and involvement in community led initiatives
- Supporting children to further enhance their basic life skills
- Promoting equal opportunities for children with disabilities – extending our support and promoting inclusion through best practice.

During the reporting period from 1st March – 31st August 2021, 496 children took part in the Football for Resilience sessions with 478 children (239 girls and 239 boys) completing 80% of the sessions and graduating. 422 parents, caregivers and community members took part in a wide variety of activities including Football for Resilience sessions, advocating for child rights, and supporting one another through different challenges including the Covid 19 pandemic.

Our Coaching for Life transition year will continue to be implemented in Za'atari until Feb 2022.

We strongly believe that the Coaching for Life project can in the future be expanded and replicated in other countries once the initial project has been completed and its impact has been evaluated. Backed up by evidence of its impact, Coaching for Life is envisaged to provide an opportunity to directly benefit many thousands of children, young people, and adults, further expanding the reach and impact of The Arsenal Foundation and that of the wider sport for development sector.

Supporting our Local Communities

In FY21, we did not make any grants to Islington Giving, however, we are looking forward to resuming our relationship in FY22. Our relationship with Islington Giving continues to provide a partnership through which we can identify local needs and work together to address such needs whether this is for young people or those in adulthood including the elderly. Our combined local experience means we understand the level and complexity of need in the local borough and can tailor projects and/or grants to these local needs whilst being flexible enough to adapt where needs change.

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The Willow Foundation (Willow) received £50,000 from The Arsenal Foundation in 19/20 which covered continued implementation this current year due to Covid delays. Although they did not receive a grant in this current year, it is hoped that Willow will continue to create unique special days for young people with conditions such as motor neurone disease, muscular dystrophy, and Huntington's disease. We look forward to resuming our relationship with Willow next year so that special days which include family breaks, theatre shows, sightseeing trips and music concerts, as well as experiences with Arsenal principally around match days, continue.

Arsenal in the Community (AIRC), the community department of Arsenal Football Club, delivers over 40 programmes on a weekly basis within the boroughs of Islington, Camden, and Hackney. Whilst these programmes had to always respond to the Covid-19 pandemic and government guidance, we are proud that programmes were able to continue with delivery taking place either online or in person when guidance allowed. No donations were made throughout the year; however, the restricted balance relating to AIRC at the year end is £548,050 as per Note 9 which will be drawn down in the following year and beyond.

The Arsenal Gap Year programme once resumed continued to provide training and opportunities for football coaches. Elements of the programme were delivered remotely with in-person support and work experience opportunities being provided too. The Arsenal Saturday Jobs Programme which provides paid work experience to young people aged 16-18 to enhance their future employment prospects also continued. During this period AIRC were providing remote employability courses in partnership with colleges, Department of Work and Pensions and Islington Council to support young people into education or employment. The funding for the Gap Year Programme is part of the AIRC restricted fund, from which no donations were made through the year, however, funds will be drawn down during FY22 to fund this programme.

The Gunners Fund small grants scheme for the local area during 2020/21 was focused on supporting the local charity, community and voluntary sector with a Covid-19 pandemic response. The Club's Community Department was a member of the Local Authority's Crisis Response Board and through consultation with them and other local grant makers, the decision was taken to focus largely on food provision. The committee, made up of Club staff, met in June 2020. It was crucial for us to support many of these local charities who were struggling during the pandemic but who were providing a vital service to those in need in our local communities.

Smaller organisations and projects local to Arsenal Football Club continued to benefit from The Arsenal Foundation's Gunners' Fund grants throughout the year. The Gunners Fund awards grants of up to £2,500 per application, making a significant difference to smaller projects which benefit the local community in Islington, Camden, and Hackney. This year The Gunners Fund distributed £23,500 to a variety of local initiatives targeted at covid projects. (2020: £99,600 Covid-19 grants, £56,157 Gunners Fund awards).

These are just some examples of the types of projects the Gunners Fund has supported, and we will continue to look for ways to increase and diversify the support to local projects to reach as wide and diverse a group of local beneficiaries as possible.

Financial Review

During the year ended 31 May 2021, the Foundation had total income of £266,859 (2020: £386,038). This reduction in income from pre pandemic reflects an estimated £420,000 related to the cancelled Night to Inspire Charity Ball, based on the 2018/19 pre pandemic year's actuals, and a further reduction due to Arsenal Giving Together Matchday taking place behind closed doors. Full details of donations received are contained in note 3 of the accounts.

In December 2020 Arsenal Football Club's Arsenal Giving Match Day in support of The Arsenal Foundation raised £89,622 (2020: £214,300), with generous donations from the Players of the Arsenal Men's First team who donated a day's wages to the Foundation.

The Trustees expended resources of £299,514 (2020: £1,337,536) which includes grants which were donated to a range of causes reflecting the objectives of the Foundation.

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All resources expended are expended in line with the objectives of the Foundation. Full details of grants made by The Arsenal Foundation are contained in note 4 of the financial statements. Restricted funds are regularly reviewed to ensure the funds are being spent in line with the restrictions imposed by the donor.

The attached accounts show the state of the Foundation's finances at FY21, which the Trustees consider to be satisfactory.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing their aims and objectives and in planning the Foundation's future activities.

Grant Policy

The Trustees have reviewed and updated the Grant Making Guidelines to reflect current and best practice. Our Pandemic Response fund application guidelines are available online.

Requests for grants received are all individually evaluated against predefined criteria to ensure they meet the Foundation's objectives. Monitoring and evaluation of projects supported by the Foundation are carried out through a reporting process from the grantees.

Reserves Policy

The Trustees regularly discuss the status of the Foundation's reserves to ensure that adequate reserves are in place. As at 31 May 2021 the Foundation had total funds of £1,037,433 (2020: £1,100,684). Of those funds £780,381 (2020: £766,831) were restricted.

The Trustees in considering the reduction in income due to the pandemic agreed a revised level of reserves for the 21/22 financial year. This was set at £400,000. The reserves held at 31 May 2021 include unrestricted funds of £257,052 (2020: £333,853). See reference to the "Risk Management and our ongoing response to the pandemic" section above for more details about how we intend to bring these in line with policy.

Plans for Future Periods

Fundraising plans include direct approaches to our supporters, high net worth donors, players and staff. We have shown that we have not left our beneficiaries behind during the pandemic, by continuing to support them remotely and adapting our programmes accordingly.

In Jordan and Indonesia, we have engaged with our global communities by continuing to send the children football resilience sessions remotely. These sessions focus on impacting children's mental health and emotional well-being which is also helping them to cope with the stress of the pandemic. As mental health becomes a key focus of the pandemic, we are well placed to talk about our Coaching for Life programme and the benefits it can have, particularly as we all emerge from lockdown. This focus is resonating with our supporters. We are also looking to adapt our programming to be more inclusive and have reviewed in workshops with Save the Children the possibility of including children with disabilities and to continue to focus on gender inclusion. These new adaptations are putting us at the forefront of the sports for development sector and we hope to engage in more advocacy in collaboration with Save the Children at a local, national, and global level. As everyone emerges from the pandemic, we will look to engage in global platforms once again such as the annual United Nations General

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Assembly and Davos. This level of advocacy not only gives us credibility in this space but gives us exposure to potential longer term government funding.

We are also working with Save the Children to identify and approach institutional funders who have an interest in children's mental health particularly post pandemic and who may be interested in funding Coaching for Life. We have submitted a joint application to the UEFA Foundation

Events have been organised by staff including Race to Europe" which was a virtual race during the Euro Championships. Supporters' groups such as Arsenal Vision Podcast and the Arsenal Independent Supporters Trust are also planning fundraising activities.

As government restrictions on outdoor gatherings are lifted a pre-season charity fundraising football game was held at The Emirates Stadium in August 2021 which benefitted The Arsenal Foundation and Mind. Other key fundraising events are intended to resume such as Night to Inspire and Arsenal Giving Together.

Going Concern

Having considered the reserves level and the actions above i.e. new fundraising events such as the pre-season Mind Series and the resuming Night to Inspire, the trustees have considered forecasts, including cash flow forecasts and liabilities of the charity, and the trustees consider that they have a reasonable expectation that the Foundation will have adequate resources to continue in operational existence for at least twelve months from the date of signing this report. It is also within the Foundation's control to lower expenditure should income be decreased.

Structure, governance and management

The Trustees have overall responsibility for the direction, management, and control of The Arsenal Foundation. The Trustees have equal voting rights, and meet on a biannual basis, at a minimum. The appointment of Trustees must be made by the current Trustees at a general meeting. Each Trustee has been given the appropriate induction and training.

The Trustees would like to give special thanks to several individuals including the Ambassadors of The Arsenal Foundation who have so generously supported us with their donations, time and expertise. Thank you to Mikel Arteta, Edu Gaspar, Leah Williamson, Liam Brady, Martin Keown, Robert Pires, David Seaman, Bob Wilson, Dermot O'Leary, and Matt Lucas.

The Trustees would also like to thank Per Mertesacker for his important contribution to the work of The Arsenal Foundation.

In addition to the above, the Trustees are extremely grateful to Bukayo Saka and his family, the Af Jochnick Foundation, Peter Olsen and Lesley Williams, who have so generously supported The Arsenal Foundation. Finally, our heartfelt thanks to all those, including our own staff who so generously made donations to The Arsenal Foundation enabling our projects to continue, increase in scope and diversity and reach even more individuals around the world ensuring that these individuals could see hope and potential in their futures.

Trustees' statement of responsibilities

The Trustees (who are also directors of The Arsenal Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make reasonable and prudent judgements and estimates;

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Trustees' Annual Report

- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company 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 charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

So far as the Trustees are aware:

- there is no relevant information of which the company's independent examiner is unaware.
- The Trustees have taken all the steps that they ought to have taken in order to make themselves aware of any relevant information and to establish that the charity's independent examiner is aware of that information.

Deloitte LLP have been appointed in office as independent examiner.

The Trustee's Annual Report which includes the directors' report was approved and signed on behalf of the Trustees.



Svenja Geissmar

Chair, Trustee
24th February 2022

Independent Examiner's Report to the Trustees of the Arsenal Foundation

I report to the charity's trustees on my examination of the accounts of The Arsenal Foundation ("the company") for the year ended 31 May 2021 which comprise the income and expenditure account, the balance sheet and the related notes 1 to 13.

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the charity's trustees (and also its directors for the purposes of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act"). You are satisfied that your charity is not required by charity law to be audited and have chosen instead to have an independent examination.

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ("the 2011 Act"). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England & Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Michelle Hopton (FCA)
for and on behalf of Deloitte LLP
Bristol, United Kingdom
24th February 2022

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 May 2021

		Unrestricted 2021	Restricted 2021	Total 2021	Unrestricted 2020	Restricted 2020	Total 2020
Income from:	Notes	£	£	£	£	£	£
Donations	3	115,219	50,248	165,467	270,319	114,495	384,814
Grants	3	-	102,942	102,942	-	-	-
Other trading activities	3	(1,550)	-	(1,550)	(1,200)	-	(1,200)
Investments	3	-	-	-	2,424	-	2,424
Total income		113,669	153,190	266,859	271,543	114,495	386,038
Expenditure on:							
Raising funds	5	(30,598)	-	(30,598)	(13,778)	-	(13,778)
Charitable activities	4	(159,872)	(139,640)	(299,512)	(954,878)	(382,658)	(1,337,536)
Total expenditure		(190,470)	(139,640)	(330,110)	(968,656)	(382,658)	(1,351,314)
Net (expenditure) /income before and after tax		(76,801)	13,550	(63,251)	(697,113)	(268,163)	(965,276)
Reconciliation of funds							
Total funds brought forward		333,853	766,831	1,100,684	1,030,966	1,034,994	2,065,960
Net movement in funds for the year		(76,801)	13,550	(63,251)	(697,113)	(268,163)	(965,276)
Total funds carried forward		257,052	780,381	1,037,433	333,853	766,831	1,100,684

The above results all derive from continuing operations.

There were no gains and losses in the current or prior year other than as set out in the statement of financial activities above, and accordingly no separate statement of total recognised gains and losses is presented.

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Balance Sheet as at 31 May 2021

	Notes	2021 £	2020 £
Current assets			
Debtors	7	6,005	28,139
Cash at bank and in hand		1,679,374	1,792,668
		1,685,379	1,820,807
Creditors: amounts falling due within one year	8	(647,946)	(607,126)
Net current assets/Total assets less current liabilities		1,037,433	1,213,681
Creditors: amounts falling due after more than one year	8	-	(112,997)
Net assets		1,037,433	1,100,684
Funds	9/10		
Unrestricted funds		257,052	333,853
Restricted funds		780,381	766,831
Total Funds		1,037,433	1,100,684

For the year ended 31 May 2021, the Charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The members have not required the Charity to obtain an audit of its financial statements for the period in question in accordance with section 476 of the Companies Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements of The Arsenal Foundation (company number 07923266) a charitable company were approved and authorised for issue by the Trustees on 24th February 2022.

Signed on behalf of the Trustees



S. Geissmar
Chair, Trustee

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Cash Flow Statement for the Year Ended 31 May 2021

	Total funds 2021 £	Total funds 2020 £
Net Cash Outflow from operating activities	<u>(113,294)</u>	<u>(881,396)</u>
Cash flows from Investing activities		
Treasury deposit	-	500,000
Interest received	-	5,100
Net Cash Flows from investing activities	<u>-</u>	<u>505,100</u>
Net decrease in cash and cash equivalents	<u>(113,294)</u>	<u>(376,296)</u>
Cash and cash equivalents at beginning of year	<u>1,792,668</u>	<u>2,168,964</u>
Cash and cash equivalents at the end of the year	<u>1,679,374</u>	<u>1,792,668</u>

There were no cash equivalents in 2021 (2020: £nil).

Reconciliation of net (expenditure) to net cash from operating activities

	2021 £	2020 £
Net (expenditure) for the year	(63,251)	(965,276)
Adjustments for:		
Investment income	-	(2,424)
Decrease in debtors	22,134	187,075
(Decrease) in creditors	(72,177)	(100,771)
Cash Outflow from by Operating Activities	<u>(113,294)</u>	<u>(881,396)</u>

The Arsenal Foundation

Notes to the financial statements

For the year ended 31 May 2021

1: Accounting policies

The Arsenal Foundation, a public benefit entity, is incorporated in England and Wales as a private company limited by guarantee not having a share capital. The members of the company, which is also a registered charity, are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Arsenal Foundation meets the definition of public benefit entity under FRS 102. The financial statements have been prepared under the historical cost convention.

The functional and presentation currency of The Arsenal Foundation is considered to be pounds sterling because that is the currency of the primary economic environment in which The Arsenal Foundation operates.

Critical accounting judgements and key sources of estimation uncertainty

In the application of The Arsenal Foundation's accounting policies, which are described in this note, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

There are no critical accounting judgments or key sources of estimation uncertainty at the reporting date other than those set out in the accounting policies.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when The Arsenal Foundation becomes a party to the contractual provisions of the instrument.

Financial assets which qualify as basic financial instruments as laid out in FRS 102 paragraph 11.8, including trade and other receivables and cash and bank balances. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Financial assets are derecognised when and only when (a) the contractual right to the cash flows from the financial asset expire or are settled, (b) The Arsenal Foundation transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) The Arsenal Foundation, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are classified according to the substance of the contractual arrangements entered into. All financial assets and liabilities are initially measured at transaction price (including transaction costs) unless the arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled, or expires.

Going concern

The Trustees have a reasonable expectation that The Arsenal Foundation will have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements, being at least 12 months from the date of approval of these financial statements. For additional details on the Foundation's future plans and other considerations relevant to going concern, please see the 'Plans for Future Periods' and 'Going Concern' sections of the annual report on pages 7-8.

The Arsenal Foundation
Notes to the financial statements
For the year ended 31 May 2021

Income

All income becoming available to The Arsenal Foundation during the period is included when there is entitlement to the income, receipt is probable, and amounts can be measured with sufficient reliability. Appropriate proportions of income and expenditure are recognised from events organised jointly with third parties. Where the charity has received income in advance of a related event or where there are conditions that have not yet been met the income has been deferred.

Grant Income

Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

Grant funding agreements may contain conditions that specify the services to be performed by The Arsenal Foundation in receipt of a grant. Income is only recognised to the extent that The Arsenal Foundation has provided the specified goods or services as entitlement to the grant only occurs when the performance-related conditions are met.

Fund accounting

Unrestricted funds comprise the accumulated surplus or deficit and are available for use at the discretion of the Trustees in furtherance of the general objectives of The Arsenal Foundation.

Restricted funds are funds subject to specific restrictive covenants imposed by donors or by the purpose of the appeal.

Expenditure

Cost of charitable activities includes all expenditure directly related to the objectives of The Arsenal Foundation. This consists mainly of assessing grant applications and making and monitoring grants. It also includes support costs representing staffing and associated costs.

Cost of raising funds includes expenditure related to fundraising activities. It also includes support costs representing staffing and associated costs.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings, they have been recognised as support costs and allocated to activities on a basis consistent with staff time spent. The allocation of support costs is agreed on an annual basis by the Trustees as part of the budget process.

Governance costs, which include audit, tax and accountancy fees associated with the governance of The Arsenal Foundation, are included within support costs.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such as grants, with conditions attached which are recognised as expenditure when the conditions attached are fulfilled. Grants are charged to the statement of financial activities when a constructive obligation exists, notwithstanding that they may be paid in future accounting years.

Other expenditure incurred in charitable activities disclosed in note 4 are those attributable directly to charitable activities.

Any services donated by The Arsenal Football Club, such as staff, other than those staff specifically seconded to work for the foundation, are treated as donations with no conditions attached. No value has been ascribed to the time as it is not easily measurable.

Grant creditors

Grant creditors are recognised when the grant awarded to a beneficiary is measurable, payment is probable and a present legal or constructive obligation exists at the year-end, but the cash has not yet been paid. Where the expected payment date falls within twelve months of the reporting date, the creditor is classified as a current liability; when payment is due to fall later than this date, the creditor is classified as a non-current liability.

Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

The Arsenal Foundation
Notes to the financial statements
For the year ended 31 May 2021

2. Trustees' remuneration and expenses

No remuneration directly or indirectly out of the funds of The Arsenal Foundation was paid or payable for the year to any Trustees or to any person or persons known to be connected with any of them (2020: £nil).
Reimbursement of expenses has been made to the Trustees in respect of the period of £nil (2020: £nil).

3. Income

	2021	2020
	£	£
Donations received		
Arsenal Giving Match Day	89,622	214,300
Online Donations	16,042	3,173
Gift Aid	3,750	7,181
Other donations (£10,000 and over)	36,000	115,000
Other donations (Below £10,000)	20,053	45,160
	165,467	384,814
Grant income	102,942	-
Night to Inspire Charity Event	(1,550)*	(1,200)**
Interest on treasury deposits	-	2,424
	266,859	386,038

* This relates to a credit note raised for an auction lot won in 2019, the donor wished for us to refund the funds until the lot can be delivered.

** This relates to an over accrual of income which was not recovered.

4. Charitable activities

	2021	2020
	£	£
Save the Children	192,000	597,199
Islington Giving	-	50,000
Willow	-	50,000
Local pitches (Legends fund)	-	35,410
Gunners fund	-	56,157
Covid-19 grants	23,500	99,600
Other grants- To Individuals	7,594	2,630
Other grants- To Institutions	7,203	379,007
Total Grant Expenditure	230,297	1,270,003
Other direct expenditure incurred on charitable activities	7,091	33,805
Support costs (note 6)	62,126	33,728
	299,514	1,337,536

The Arsenal Foundation
Notes to the financial statements
For the year ended 31 May 2021

5. Raising Funds

	2021 £	2020 £
Night to Inspire Charity Event expenditure	-	(2,834)*
Support Costs (note 6)	30,598	16,612
	30,598	13,778

*This relates to an over accrual of costs relating to the previous year's Night to Inspire event.

6. Support costs

	2021 £	2020 £
Seconded staff	84,184	38,543
Governance costs	8,540	11,797
	92,724	50,340

Where costs cannot be directly attributed to particular headings, they have been recognised as support costs and allocated to activities on a basis consistent with staff time spent.

Governance costs relate to independent examination, legal and tax work. The fees payable to The Arsenal Foundation auditor for the independent examination of the charity's annual accounts is £6,000 (2020: £6,000).

Seconded staff costs relate to the Foundation's Director, who is employed by The Arsenal Football Club. The seconded staff costs comprise the following:

	2021 £	2020 £
Wages and salaries	68,000	32,526
Social security	9,384	4,290
Pension	6,800	1,727
	84,184	38,543

The average headcount analysed by function was:

	2021 No.	2020 No.
Administration and management	1	1

The employee benefits of one employee (excluding employer pension costs) are in the range of £60,000 to £70,000 in the current year. No employees received remuneration of more than £60,000 in the prior year.

The Arsenal Foundation
Notes to the financial statements
For the year ended 31 May 2021

7. Debtors

	2021 £	2020 £
Trade Debtors	-	22,134
Prepayments	6,005	6,005
	<u>6,005</u>	<u>28,139</u>

8. Creditors

	2021 £	2020 £
Amounts falling due within one year		
Trade creditors	287,627	23,490
Deferred Income	113,029	-
Accrued expenditure	48,090	10,800
Other creditors	7,200	5,286
Accruals for grants payable	192,000	567,550
	<u>647,946</u>	<u>607,126</u>

	2021 £	2020 £
Amounts falling due after one year		
Deferred Income	-	112,997
	<u>-</u>	<u>112,997</u>

	2021 £
Movement of Deferred Income	
Deferred income brought forward	112,997
Income released in the year	-
Income deferred in the year	32
	<u>113,029</u>
Deferred Income Carried forward	

The Arsenal Foundation
Notes to the financial statements
For the year ended 31 May 2021

9.Funds

	01-June 2020 £	Income £	Expenditure £	31-May 2021 £
Unrestricted				
<i>Unrestricted Funds</i>	333,853	113,669	190,470	257,052
Restricted				
COVID -19 Response	-	12,698	12,698	-
Arsenal in the Community	534,500	13,550	-	548,050
Local pitches (Legends fund)	232,331	-	-	232,331
Save the Children (Coaching for Life project)	-	126,942	126,942	-
Total Restricted	766,831	153,190	139,640	780,381
Total funds	1,100,684	266,859	330,110	1,037,433

The restricted funds (Legends fund) are funds received from The Arsenal Football Club, for the Legends Match. £232,331 has not yet been paid, this has been restricted by the donor and relates to projects for developing and building pitches in the local community.

The restricted income for 'Arsenal in the Community' is for various projects and has been restricted by the donor.

Comparative funds for the year ended 31 May 2020

	01-June 2019 £	Income £	Expenditure £	31-May 2020 £
Unrestricted				
<i>Unrestricted Funds</i>	1,030,966	271,543	968,656	333,853
Restricted				
COVID -19 Response	-	53,995	53,995	-
Arsenal in the Community	725,000	500	191,000	534,500
Local pitches (Legends fund)	267,741	-	35,410	232,331
Save the Children (Charity ball)	42,253	60,000	102,253	-
Total Restricted	1,034,994	114,495	382,658	766,831
Total funds	2,065,960	386,038	1,351,314	1,100,684

The Arsenal Foundation
Notes to the financial statements
For the year ended 31 May 2021

10. Net assets by fund

	Debtors £	Cash and short term deposits £	Liabilities £	Balance 31-May 2021 £
2021				
<i>General</i>	6,005	671,022	(419,975)	257,052
<i>Restricted</i>	-	1,008,352	(227,971)	780,381
Total funds	6,005	1,679,374	(647,946)	1,037,433
	Debtors £	Cash and short term deposits £	Liabilities £	Balance 31-May 2020 £
2020				
<i>General</i>	27,639	848,935	(542,721)	333,853
<i>Restricted</i>	500	943,733	(177,402)	766,831
Total funds	28,139	1,792,668	(720,123)	1,100,684

11. Related party transactions

The Arsenal Foundation is independently run; however, it has a close relationship with The Arsenal Football Club plc, and Mr K J Friar and Mr V Venkatesham, who are Trustees, and Mr D Miles, who resigned as a Trustee on 30 June 2021, are also a former director (resigned 31 August 2020), the CEO and the former company secretary (resigned 30 June 2021), respectively, of that company. The amount collected by Arsenal Holdings Limited on behalf of the Foundation and paid over to the Foundation was £416 (2020: £281), along with £7,174 owed to Arsenal Holdings at year end (2020: £1,652).

In the year, The Foundation paid £42,094 in relation to seconded staff costs paid to Arsenal Holdings. The balance in accrued expenditure is £42,090, which relates to staff costs of £84,184 (2020: £38,543).

On occasion, the Foundation will make a donation to a charity at which a Trustee volunteers - any conflicts arising in respect of this are appropriately managed.

There are no other related party transactions with trustees or connected persons or entities.

12. Taxation

As a registered charity, The Arsenal Foundation is exempt from taxation on its income and gains falling within Part 11 of the Corporation Tax Act 2010 (CTA 2010) to the extent that these are applied to its charitable purposes. The financial statements do not therefore reflect any provision, reserve, or adjustment for taxation.

13. Future funding commitments

At the time of signing the accounts, The Arsenal Foundation has committed to funding of £175,000 in November 21 to Save the Children. This commitment will be funded from The Arsenal Foundation's reserves as well as from funds raised from fundraising activities in the 2021/22 financial year.

The Arsenal Foundation has also committed to funding of £80,000 for a football pitch at Peregrine House. This will be funded from the Local Pitches Legends Fund restricted income but is subject to planning permission being obtained.