

Registered Company Number: 3876305

Registered Charity Number: 1079309

THE FOOTBALL FOUNDATION

**Annual Report and Financial Statements
for the year ended 31 May 2018**

The Football Foundation

Annual Report and Financial Statements for the year ended 31 May 2018

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Trustees, Directors, Officers and Advisers

Trustees and Directors

The Trustees and Directors of the company who were in office during the year and up to the date of signing the financial statements were:

G A Hoffman (Chairman)
R C Scudamore
P D G McCormick OBE
M Glenn
J Price*
C Leslie*
J Pearce**
J Bird***

* Replaced R Chester and Rt
Hon R Caborn on 11 December
2017

** Replaced R F Burden on 27
February 2018

*** Appointed 11 July 2018

Chief Executive

P J Thorogood

Company Secretary

D McDermott

Registered office

10 Eastbourne Terrace
Paddington
London
W2 6LG

Independent auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Solicitors

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

Bankers

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

The Football Foundation

Report of the Trustees for the year ended 31 May 2018

The Trustees, who are also Directors of the company for the purposes of the Companies Act, present their annual report and the audited consolidated financial statements for the year ended 31 May 2018.

The Trustees have referred to the Charity Commission's guidance on reporting on public benefit (section 4 of Charities Act 2011) 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 3 forms part of this report. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Status and administration

The Football Foundation is a charitable company limited by guarantee, incorporated in the United Kingdom in November 1999 as The Football Trust Charitable Trust, changing its name to The Football Foundation (the Foundation or Charity) in April 2000 (company registration number 3876305) and registered with the Charity Commission (Charity number 1079309).

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

The report and consolidated financial statements for the year ended 31 May 2018 relate to the total activities of the two legal entities.

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Report of the Trustees for the year ended 31 May 2018

Structure, governance and management

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

Trustees

The Trustees and Directors were appointed to the Board as follows:

Independent Chair	Appointed by the Board of Trustees for a three-year term
The Football Association (The FA)	Two Trustees
Premier League	Two Trustees
Sport England	One Trustee
The Department for Digital, Culture, Media and Sport	One Trustee

The Board supports the principles of good governance set out in the new Code for Sports Governance and also the continuous improvement model which the Code promotes. During the year ended 31 May 2018, the Board undertook a comprehensive self-evaluation and agreed an action plan with Sport England to support the transition to the new Code. This included the recruitment of a new independent Trustee, J Bird, appointed in July 2018. The Board also oversaw the Charity's preparations for the coming into force of the General Data Protection Regulation ("GDPR") from 25 May 2018.

During the year ended 31 May 2018 three new Trustees joined the Foundation and three retired. New Trustees undertook a structured induction process including one-to-one meetings with the CEO and were offered the opportunity to visit Foundation-funded facilities. The Board as a whole receives periodic legal updates and training.

The Trustees may appoint an independent, non-executive Chairperson for a period of up to three years, after which they can be reappointed. G A Hoffman was reappointed as Chairman for a further three years in December 2017.

Statement of Trustees' responsibilities

The Trustees (who are also directors of The Football Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group 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 then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2015);

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Report of the Trustees for the year ended 31 May 2018

- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In the case of each Director in office at the date the Report of the Trustees is approved, that:

- (a) so far as the Trustee is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) he/she has taken all the steps that he ought to have taken as a Trustee in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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 reports to the Chairman, who is responsible for carrying out an annual performance appraisal.

Organisation

The Board of Trustees administers the Foundation and meets on a quarterly basis.

The Trustees have an established panel to review and award grants in accordance with delegated financial 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 is made up from representatives of the Funding Partners (The FA, the Premier League and the Government) and also includes unpaid volunteers, independent from the Foundation, who bring specific expertise, knowledge and experience.

In addition, two Trustees (R C Scudamore and C Leslie) are members of the Audit & Remuneration Committee. The Committee has responsibility for remuneration of key management personnel and consideration of remuneration policy and governance. The Committee meets twice a year and has its decisions ratified by the full Board.

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Report of the Trustees for the year ended 31 May 2018

Strategic Report

Objectives and activities

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 ongoing 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 community 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 commits grants and other resources, mainly in the form of supporting expertise across a number of related disciplines.

New strategy

In 2016, the Funding Partners, together with the Foundation, developed a new long-term strategy to direct all investment into football facilities via the Foundation. In February 2017, this was approved by the Executive Chairman of the Premier League and Chief Executives of The FA and Sport England.

Whilst the long-term commitment remains subject to the Premier League and The FA broadcasting deals, which in the case of the Premier League is renegotiated every three years, the Funding Partners confirmed a new, significantly enhanced three-year funding agreement with the Foundation for 2017 to 2019, whereby annual core funding increased from £29m to £57m.

To enable the Foundation to direct investment where charitable outcomes have the greatest impact, The FA is developing 'Local Football Facility Plans' for each local authority across the country. Each plan will be the product of discussions across a wide range of local stakeholders, including County FAs, community and professional football clubs, football leagues, schools and leisure providers. The plan will be the agreed statement of requirement for the facilities needed to support football within each local authority; this will be a combination of both current and new facilities that require funding. All plans are expected to be in place by March 2020.

Primary funding streams

- **Parklife.** This fund provides an investment model for satisfying facility needs across city/urban areas, utilising a portfolio approach to providing an area-wide solution, rather than one-off single site investments. Local 'Football Trusts', composed of key football stakeholders, are established to assume responsibility for the management of local football facilities from local authorities. The aim is to ensure that sufficient revenue is derived from across the whole city portfolio of artificial pitches, not only to sustain individual hub sites, but also to sustain potentially loss-making facilities in the city-wide hub network and also to maintain natural grass pitches in the 'catchment area'.
- **Single sites.** This fund provides capital grants towards the development of new, or the refurbishment of existing, artificial pitches, natural grass pitches, changing rooms, clubhouses and floodlights. It supports projects that will increase participation levels and forge strong links with local professional football clubs. Investment is made into one-off

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Report of the Trustees for the year ended 31 May 2018

single sites that satisfy evidence-based demand requirements within local areas. This fund also provides small capital grants of up to £10,000 for projects including pitch drainage, changing room alterations and machinery maintenance.

- **Premier League Club Hubs.** This fund supports Professional Football Club Community Organisations – the charitable arms of professional football clubs – to support the delivery of their community programmes. These may be wider than just the delivery of sports programmes; therefore, other facility types are considered, such as indoor facilities and classrooms.

Small revenue funding streams

The Foundation manages a number of smaller revenue schemes on behalf of the Funding Partners, which are seasonal, or run for a limited period during each year.

- **Premier League Primary Stars.** This scheme uses the appeal of the Premier League and professional football clubs to inspire children to learn, be active and develop important life skills. There are a number of elements to this scheme; however, the Foundation's role is to manage a Kit and Equipment Fund that supports primary schools with their sporting needs.
- **Grow the Game.** This FA scheme provides low-level revenue funding for projects that use football to increase participation of both players and volunteers.
- **Respect.** This FA scheme aims to ensure that football – both on and off the pitch – continues to be enjoyable, inclusive and a positive experience For All. This scheme offers clubs, leagues and schools the opportunity to purchase discounted Respect branded equipment.
- **Futsal.** This FA scheme aims to develop the sport of Futsal in England, providing the tools for applicants to develop and maintain Futsal leagues, competitions and fixtures.

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Report of the Trustees for the year ended 31 May 2018

Overall achievements and performance

Overall grant giving

In achieving its objectives, the Foundation awarded grants with a total value of £49.5m during the financial year (2017: £18.0m).

Recognising the need to avoid duplication and streamline processes, The FA handed over key facilities development responsibilities to the Foundation. This, and the need to provide additional capacity to manage a significant increase in demand, meant that the Foundation's Grant Management Team was the subject of substantial restructure and recruitment in 2017. This resulted in higher grant commitment in 2018, compared to 2017, which was anticipated and planned for. The Foundation expects to achieve its full commitment target by the end of the current three-year funding agreement in 2019.

Grant commitment in 2018 was broken down as follows:

Funding stream	Number of grants	Total value (£m)
Parklife	12*	23.2
Single sites	289	17.0
Premier League Club Hubs	10	3.4
Total facilities	311	43.6
Small revenue grants	9,677	5.9
Total	9,988	49.5

*Includes five project development grants awarded with a total value of £0.3m.

Primary funding streams – current performance

Current performance against a suite of Strategic Performance Indicators and targets for each of the three key funding streams are outlined below. Each Indicator falls into an annual reporting cycle based on either the financial or calendar year, as determined by the data collection process for each. Indicators for the 2018 calendar year were reported to the Board in February 2018 (as at 31 December 2017) and those for the 2018 financial year in September 2018 (to 31 May 2018).

Area	Performance Indicator	Target	Reporting year	Current performance
Outcomes	In-year percentage increase in number of regular unique football participants across all funded sites	5%	Calendar	5%
Outcomes	In-year percentage increase in number of regular unique participants from other sports across all funded sites	5%	Calendar	9%
Targeted investment	Percentage of projects that are multi-sport environments (>33% non-football participants)	33%	Calendar	45%

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Outcomes	Percentage of projects meeting or exceeding development expectations	90%	Calendar	92%
Efficiency	Percentage of projects that meet their scheduled end-to-end process time	70%	Financial	71%
Targeted investment	Percentage of investment into the 20% most deprived areas	40%	Financial	48%
Outcomes	Percentage of Football Turf Pitch (FTP) projects that have a pro-club link	50%	Calendar	56%
Outcomes	Percentage of FTP projects in the 20% most deprived areas that have a pro-club link	80%	Calendar	85%
Outcomes	Percentage of FTP project opening hours where site is in use	80%	Calendar	74% ²

Organisational performance

The Foundation aims to deliver grant programmes as efficiently as possible through adopting a scalable structure that balances efficiency and effectiveness to ensure that funding contributed by each Funding Partner achieves required objectives, while minimising the overhead cost to each of them.

The Foundation has a focus on continuous improvement, both internally through constantly monitoring and improving its own performance, and externally by continually challenging all funded organisations. This ensures that, collectively, the Foundation achieves maximum impact and value for money for itself and its Funding Partners.

The Board has set two organisational indicators:

Area	Performance Indicator	Target	Reporting year	Current performance
Financial	Administrative overheads as a percentage of overall funds committed	Less than 5%	Financial	7% ³
Customer satisfaction	Percentage of applicants who reported that they were at least satisfied with our staff and the overall application process	90%	Calendar	95%

² Current performance is below the target of 80% due to the number of projects included within the sample being open for one year or less. These funded sites were not expected to be at full operating capacity during their first season. As a result they are expected to see their usage increase over the coming seasons, as per their football development plans, and achieve or exceed the minimum target of 80%.

³ Actual performance reflects the variability of grant commitment on an in-year basis. This indicator is evaluated by the Board on a three-year basis, in line with the duration of the funding agreement.

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Report of the Trustees for the year ended 31 May 2018

Financial review

The consolidated statement of financial activities for the year is set out on page 19 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 from football and sport related organisations, with an additional amount of interest earned on cash balances. Donations received during the year were £57.4m (2017: £67.3m). In addition, the Foundation received income of £0.5m (2017: £0.5m) from The Football Stadium Improvement Fund Limited to cover salaries and other administrative costs incurred on the company's behalf. There are no other income generating activities carried out by the Charity, although the subsidiary company, FFTL, generated total income of £0.6m in the year (2017: £0.6m).

Income generated in the year and prior year by FFTL primarily related to offering organisations use of the online monitoring system (Upshot) in return for a license fee. Upshot is primarily used to support Foundation-funded projects, providing an online tool to monitor the delivery and impact of Facility and Community-based projects. This is also being incrementally rolled out to all projects that have been historically funded by the Foundation.

The movement in funds in the year reflects the balance between income recognised and the grants awarded. Donations from The FA, Premier League and the Government (via Sport England) are guaranteed over a period. These donations are accounted for on a receivable basis in the year in which the income falls due.

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 are 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. The Foundation reserves policy is reviewed on an annual basis.

Investment powers, policy and performance

Investment powers are governed by the company's Articles of Association, which permit any surplus funds to be invested by the Board of Trustees. 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 & Remuneration Committee, which Executive Management then actions. No social, environmental or ethical considerations are specified. The performance of investments has been in line with Trustees' expectations.

The Group had cash on deposit of £23.5m (2017: £26.8m) and short-term investments of £55.2m (2017: £47.8m) at the end of the financial year. These will be used in future periods to

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Report of the Trustees for the year ended 31 May 2018

pay grants that the Trustees have authorised and communicated to recipients. At the end of the financial year there were outstanding grants payable totalling £47.6m (2017: £42.3m). The timing for receipt of income by the Foundation is never certain, so the Trustees' policy is not to commit funds beyond known funding.

As part of the terms and conditions attached to every grant awarded, an applicant agrees and accepts that payments of a grant can only be assured to the extent that the Foundation has available funds.

Changes in tangible and intangible assets

The movements in tangible and intangible assets during the year are set out in notes 11 and 12 to the financial statements.

Grants awarded

An analysis of the largest grants awarded during the year can be found in note 24 to the financial statements.

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, supported by the Chief Operating Officer and Head of 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 low yields available in the investment market at the current 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 'fixed income bond' investments. Consequently, significant levels of funds are held on short-term deposit and are therefore available at short notice.

Interest rate risk. Interest rate risk 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.

Future funding

The FA, the Premier League and the Government (via Sport England) have committed to providing the following funding in the next financial year:

Funding Partner	2019 (£m)
The FA	22.1
Premier League	17.3
Government	18.0

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Report of the Trustees for the year ended 31 May 2018

The Football Foundation Trading Limited (Reg no: 4202574)

FFTL was established to trade and generate funds for the Foundation. There are no restrictions on the activities of the FFTL. The principal activity during 2018 was to continue growth in revenue and profitability by selling Upshot under licence to external organisations.

FFTL's policy is to make an annual gift aid payment to the Foundation, thereby transferring all of its current realised profits to the Charity. No such profit was available for gift aid in the year under review (2017: £nil).

As per policy, FFTL makes an annual payment under a royalty agreement of 2% of its annual revenue to the Foundation as consideration for the use of the Charity's name and logos. In addition, FFTL makes a further annual royalty payment of 20% of Upshot-related revenue, as consideration for the use of Upshot – the Charity owned asset. The aggregate royalty payment due to the Charity for 2018 is £118,185 (2017: £96,258).

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 FFTL and the Foundation.

Plans for future periods

The Foundation's core funding is agreed in three-year cycles, with this report relating to the second year of the 2017-19 cycle. The focus of the Foundation is in the following areas:

Demonstrating impact, value for money and sustainability

The Foundation has created a comprehensive monitoring capability to assess the impact of its funded projects. This is to ensure that every project has the greatest chance of reaching its potential in terms of football development and community benefit; thus achieving the greatest possible outcomes from every pound invested.

To further demonstrate the impact of investments to Funding Partners and how these are performing with regards to achieving the outcomes set out in the new strategy, a digital project is underway to produce a performance dashboard. This will be linked to Funding Partner systems to provide a single, real-time picture of performance.

The Foundation invests staff resources into providing ongoing support, advice and guidance to all projects. This not only helps to improve the outcomes achieved, but also helps to ensure long-term sustainability by reducing the likelihood of additional 'subsidy' investment.

Attracting additional funds

The Board will continue to seek additional investment opportunities from existing and new funders to help achieve the Foundation's strategic objectives. To do this, the Foundation will continue to present itself as an efficient and effective delivery capability for community capital investment.

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Report of the Trustees for the year ended 31 May 2018

Principal risks and uncertainties

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. Within the work of the Foundation, there are broadly three types of risk:

- **Strategic risks.** These are major concerns such as reputational risk, or the risk that the Foundation will fail to deliver on a major strategic target and/or objective. They are more often external issues with high impact which require a response plan to mitigate the effects of the risk event happening, as controlling the occurrence is outside the Foundation's sphere of influence. The Foundation's risk assessment process analyses these risks to establish their root cause and then considers appropriate management responses. These are collated into the Strategic Risk Register, which is reviewed monthly by the Executive Team. The Strategic Risk Register is presented at every Board meeting.
- **Operational risks.** Operational risks are part of day-to-day management and Heads of Department are expected to articulate an understanding of the key risks in their area of operation, together with an explanation as to how these are being managed and mitigated. Each Head of Department prepares a risk and control framework annually, and monitors this regularly throughout the year. Whilst each risk is 'owned' by the relevant Head of Department, any risks which increase significantly in terms of either Likelihood or Impact are escalated to the Executive Team, which manages them as a part of the Strategic Risk Management process. These are then escalated to the Board, if necessary, as Strategic Risks.
- **Project risks.** These are risks arising from a particular programme or project and are managed as part of the grant-giving governance for that activity; these are regularly reviewed and monitored. This is part of effective project governance and management.

The Foundation's Risk Register contains two sections: Strategic Risk, and a series of Operational Risks, from each of the Foundation's teams. As described below, Strategic Risk is managed by the Executive Team and Board; whereas Operational Risk is managed by the Teams and Operations Group, with the exception of escalated Operational Risks that need to be referred 'up the chain'.

The review process for each type of risk is summarised as follows:

- **Strategic risks.** The Executive Team reviews and updates the Strategic Risk Register monthly, and carries out a full refresh annually. This, together with the fully refreshed Operational Risk Matrices, is forwarded in full to the Board for approval each year. The Strategic Risk Register is presented to the Board at every Board meeting.
- **Operational risks.** Each of the Departmental Risk Matrices is reviewed by departmental teams at their weekly meetings. Any risks that need to be escalated are then highlighted to the Executive Team and/or Board as required. Each matrix also undergoes formal review and updating each quarter, and is then forwarded to the Executive Operations Group for consideration. Each matrix is also fully refreshed once a year, during the team planning process.
- **Project risks.** Risks are highlighted at the point of grant assessment in terms of financial, construction, and development outcomes. These are then monitored and mitigated throughout the project's life through the comprehensive project monitoring and evaluation processes.

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Report of the Trustees for the year ended 31 May 2018

All risks are ultimately the responsibility of the Board to manage, and any (strategic, operational, project risks) that require a Board-level action will be escalated to the next available meeting, or by correspondence as necessary. This is over and above the Board's responsibility to review and approve the overall Register annually, and receiving visibility of the Strategic Risk Register at each meeting.

Approved by order of the Board



D McDermott

Company Secretary

19 September 2018

Reg no: 3876305

The Football Foundation

Independent Auditors' Report to the Members of The Football Foundation

Report on the audit of the financial statements

Opinion

In our opinion, The Football Foundation's group financial statements and parent charitable company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 May 2018 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the group and parent charitable company Balance sheets as at 31 May 2018; the Consolidated statement of financial activities (including the income and expenditure account), and the Consolidated cash flow statement for the year then ended; and the notes to the financial statements.

Basis of opinion

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

Independence

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

Conclusions relating to going concern

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

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

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Independent Auditors' Report to the Members of The Football Foundation

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

Reporting on other information

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

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

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

Strategic Report and Report of the Trustees

In our opinion, based on the work undertaken in the course of the audit the information given in the Report of the Trustees, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic Report and the Report of the Trustees have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Report of the Trustees. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the Trustees for the financial statements

As explained more fully in the Statement of Trustees' responsibilities set out on pages 5 and 6, the Trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group and parent charitable company or to cease operations, or have no realistic alternative but to do so.

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Independent Auditors' Report to the Members of The Football Foundation

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Andrew Lowe (Senior Statutory Auditor)

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

19 September 2018

The Football Foundation

Registered company number 3876305

Consolidated statement of financial activities (including the income and expenditure account) for the year ended 31 May 2018

		Restricted funds	Unrestricted funds	Total funds	Restricted funds	Unrestricted funds	Total funds
		2018	2018	2018	2017	2017	2017
	Note(s)	£'000	£'000	£'000	£'000	£'000	£'000
Donations	2	-	57,424	57,424	561	66,722	67,283
Interest income	4	-	106	106	-	61	61
Other income	23	-	460	460	-	484	484
Income		-	57,990	57,990	561	67,267	67,828
Income from trading activities	3	-	595	595	-	571	571
Trading costs	3,5	-	(389)	(389)	-	(337)	(337)
Net income from trading activities		-	206	206	-	234	234
Total income		-	58,196	58,196	561	67,501	68,062
Expenditure on:							
Group and Charitable activities	5	-	(53,328)	(53,328)	(561)	(19,119)	(19,680)
Total expenditure		-	(53,328)	(53,328)	(561)	(19,119)	(19,680)
Investment income	13	-	428	428	-	474	474
Net income	7	-	5,296	5,296	-	48,856	48,856
Net movement in funds		-	5,296	5,296	-	48,856	48,856
Reconciliation of funds:							
Funds brought forward at 1 June		-	49,029	49,029	-	173	173
Funds carried forward at 31 May	17	-	54,325	54,325	-	49,029	49,029

All income and expenditure on resources expended from charitable activities are derived from continuing activities. The Foundation 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 22 to 35 form part of these financial statements.

The Football Foundation

Registered company number 3876305

Balance sheets as at 31 May 2018

	Note(s)	Group		Charity	
		2018	2017	2018	2017
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	12	266	477	266	477
Tangible assets	11	168	252	168	252
		434	729	434	729
Current assets					
Stock		10	23	10	23
Debtors: amounts falling due within one year	14	23,745	16,376	23,746	16,369
Investments	13	55,206	47,791	55,206	47,791
Cash and cash equivalents		23,520	26,771	23,111	26,466
		102,481	90,961	102,073	90,649
Creditors: amounts falling due within one year	15	(48,698)	(42,757)	(48,549)	(42,616)
Net current assets		53,783	48,204	53,524	48,033
Debtors: amounts falling due after one year	14	108	96	108	96
Total assets less current liabilities		54,325	49,029	54,066	48,858
Net assets	17	54,325	49,029	54,066	48,858
Funds					
Unrestricted funds:					
Funds retained within the Charity	16	54,066	48,858	54,066	48,858
Funds retained within a non-charitable subsidiary	16	259	171	-	-
Total funds	16,17	54,325	49,029	54,066	48,858

The financial statements on pages 19 to 35, 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 on 19 September 2018 and signed on its behalf by:



G Hoffman
Chairman

The Football Foundation

Registered company number 3876305

Consolidated cash flow statement for the year ended 31 May 2018

	Note(s)	2018 £'000	2017 £'000
(a) Reconciliation of net income to net cash flow from operating activities			
Net movement in funds (as per the consolidated statement of financial activities)		5,296	48,856
Adjustments for:			
Amortisation of intangible assets	12	263	225
Depreciation of tangible assets	11	129	132
Loss on disposal of tangible assets	11	5	-
Income from interest on cash deposits	4	(106)	(61)
Interest received on investments	13	(221)	(183)
Interest accrued on investments	13	(207)	(291)
Increase in debtors	14	(7,381)	(9,263)
Increase / (decrease) in creditors	15	5,941	(17,247)
Decrease in stock		13	11
Net cash provided by operating activities		3,732	22,179
(b) Statement of cash flows			
Net cash provided by operating activities		3,732	22,179
Cash flows from investing activities:			
Income from interest on cash deposits	4	106	61
Purchase of investments	13	(62,500)	(52,500)
Proceeds from the sale of investments	13	55,513	36,336
Purchase of tangible assets	11	(50)	(35)
Purchase of intangible assets	12	(52)	(97)
Net cash used in investing activities		(6,983)	(16,235)
Net cash (outflow) / inflow		(3,251)	5,944
Change in cash and cash equivalents in the year		(3,251)	5,944
Cash and cash equivalents at 1 June		26,771	20,827
Cash and cash equivalents at 31 May		23,520	26,771

The Football Foundation

Notes to the financial statements

1. Principal accounting policies

General information

The Football Foundation (the 'Foundation' or the 'Charity') is a charitable company limited by guarantee, incorporated in the United Kingdom in November 1999 as The Football Trust Charitable Trust, changing its name to The Football Foundation in April 2000 and registered with the Charity Commission. The other company included within the group is the non-charitable wholly owned trading subsidiary The Football Foundation Trading Limited, which was incorporated in April 2001. The consolidated financial statements for the year ended 31 May 2018 relate to the total activities of the two legal entities.

The address of the Foundation's registered office is 10 Eastbourne Terrace, Paddington, London W2 6LG.

Basis of accounting

The financial statements are prepared under the historical cost convention on a going concern basis and in accordance with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association of the Charity, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

A summary of the principal accounting policies, which have been applied consistently unless stated, is set out below.

Basis of consolidation

The consolidated statement of financial activities, the consolidated balance sheets and the consolidated cash flow statement include the financial statements of the Charity and its subsidiary undertaking (together the 'Group') made up to 31 May 2018. The subsidiary has been consolidated on a line-by-line basis. Intra group transactions and profits and balances have been eliminated on consolidation, where material. In certain cases, comparative data has been reclassified to conform to the current year presentation.

The Charity has adapted the Companies Act formats to reflect the Charities SORP and the special nature of the Charity's activities. A separate SOFA has not been presented for the standalone Charity, as permitted by Section 408 of the Companies Act 2006 and 2015 SORP. The amount of the net income for the year in the Charity's financial statements is disclosed in note 10.

Currency

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

Income

Donations 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 FA, the Premier League and the Government (via Sport England) are accounted for in the financial year to which the funders have indicated that the income is for. Donations to the restricted fund

The Football Foundation

Notes to the financial statements

1. Principal accounting policies (continued)

are recognised on a receivable basis, where there is a 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). Income from cash deposits and other investments is recognised on an accruals basis.

Additional income is received by FFTL from tenant income and sales of Upshot software licenses. Tenant income is recognised on an accruals basis. Income in relation to Upshot licenses is recognised when the conditions attached to the income have been met. Upshot licenses require annual delivery of the service associated with the license. So in practice this means that one year of license income is recognised in the year to which the license is sold. Where license contracts span more than one year, a proportionate amount of license income is recognised in the financial year when the contract commences with the remainder being deferred to future periods in line with the terms of the license.

Expenditure

Expenditure is recognised when a liability is incurred and accounted for on an accruals basis.

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 (see note 6).

Operating leases

Rental costs are recognised in the statement of financial activities on a straight-line basis.

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 received, for which the donor has specified the purposes for which the resources can be utilised. Expenditure on restricted funds reflects the appropriate expenditure that has been charged to those funds.

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

The Football Foundation

Notes to the financial statements

1. Principal accounting policies (continued)

Pension costs

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

Tangible assets and depreciation

Capitalisation and replacement

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

Depreciation

Depreciation is calculated on a straight line basis so as to write off the cost or valuation of tangible 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	10
Computer software	7
Computer equipment	4

Intangible assets

Intangible assets represent software development costs and are capitalised when there is a readily ascertainable market value for the asset being developed, consistent with the requirements of FRS 102 Section 18. Those costs are amortised on a straight-line basis over 7 years, in line with the depreciation period for computer software.

Related party transactions

FRS 102 Section 33 requires the disclosure of the details of material transactions between the reporting entity and related parties. The Charity has taken advantage of exemptions under FRS 102 Section 33 not to disclose transactions with Group companies.

Deferred taxation

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

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.

The Football Foundation

Notes to the financial statements

1. Principal accounting policies (continued)

Stock

Stock is valued at the lower of cost and net realisable value using a first-in, first-out (FIFO) method of calculation.

Investments

Income from longer-term cash deposits, is accounted for on an accruals basis.

Cash at bank and in hand

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

Critical accounting judgements and key estimates

The preparation of the financial statements requires judgements, estimations and assumptions to be made that affect the reported values of assets, liabilities, revenues and expenses. The nature of estimation and judgement means that actual outcomes could differ from expectation. Significant areas of estimation and judgement include:

- (a) Expenditure incurred by the Foundation on activities related to The Football Stadia Improvement Fund Limited ("FSIF") and recharged to FSIF. The recharge includes key assumptions about the allocation of FSIF related costs between the two entities. The allocation method is reviewed annually to ensure that the amounts recharged are based on the best estimate of actual costs if they were incurred directly by FSIF.
- (b) The Charity allocates support costs between different charitable activities using Executive Management's judgement of the proportion of effort expended on each category during the year.

2. Donations

	2018 £'000	2017 £'000
Unrestricted		
The FA	22,003	31,422
Premier League	17,421	17,300
The Government funds managed by Sport England	18,000	18,000
	57,424	66,722
Restricted		
Playsport London	-	561
	-	561
Total donations	57,424	67,283

The Football Foundation

Notes to the financial statements

3. Subsidiary undertaking

The subsidiary undertaking of the Charity, FFTL, is a company registered in England and Wales (no. 4202574) in which the Charity holds 1 £1 ordinary share representing 100% of the issued share capital.

The main activity in FFTL during 2018 was to continue to grow revenue from offering organisations use of the online monitoring system called "Upshot" in return for a licence fee. Launched in 2012, Upshot is a bespoke project management and monitoring system that is also used to support the monitoring and evaluation requirements of Foundation-funded projects.

The subsidiary donates any realisable profits to the Charity each year by gift aid and pays 2% of its turnover to the Charity under a royalty agreement as consideration for the use of the Charity's name and logos. In addition, the subsidiary will make a further annual royalty payment of 20% of Upshot-related turnover, following the transfer of the intangible asset (comprising software development costs for the Upshot online monitoring system) to the Foundation at the end of 2016. Royalty payments have been eliminated on consolidation. FFTL's trading results for the year, as extracted from the audited financial statements, are summarised below:

	2018 £'000	2017 £'000
Upshot income	531	430
Tenant income	64	84
Research and development tax credit	-	57
Administrative expenses	(389)	(337)
Royalty fee to the Foundation	(118)	(96)
Profit of subsidiary	88	138

	2018 £'000	2017 £'000
Current assets	526	408
Current liabilities	(267)	(237)
Net assets	259	171

4. Interest income

	2018 £'000	2017 £'000
Interest receivable on cash deposits	106	61
	106	61

The Football Foundation

Notes to the financial statements

5. Analysis of expenditure

	Direct staff costs	Other direct costs	Support costs	2018 Total	2017 Total
Activity:	£'000	£'000	£'000	£'000	£'000
Awarding of grants					
Grants payable	1,537	48,120	3,237	52,894	19,325
Governance costs (see note 6b)	236	86	112	434	355
	1,773	48,206	3,349	53,328	19,680
Trading costs	282	95	12	389	337
Total	2,055	48,301	3,361	53,717	20,017

Grants awarded during the financial year are summarised in note 24. Support costs are further analysed in note 6a.

6. Allocation of support costs and analysis of governance costs

6a. Allocation of support costs

	Grant payable	Governance costs	Trading costs	2018 Total	2017 Total
Activity:	£'000	£'000	£'000	£'000	£'000
Indirect staff costs	1,417	-	-	1,417	1,340
Travel and meetings	185	11	-	196	82
Office and premises	1,103	68	-	1,171	1,152
Public relations and marketing	193	12	-	205	56
Recruitment and training	33	2	-	35	29
Consultancy	288	18	-	306	5
Accountancy and professional	18	1	12	31	25
	3,237	112	12	3,361	2,689

The support costs have been allocated by taking the trading costs directly from the overhead costs shown in the subsidiary financial statements and distributing the remaining costs using the percentage of total employee time spent on governance related work.

6b. Analysis of governance costs

	2018	2017
Activity:	£'000	£'000
External audit	31	31
Direct staff costs	236	243
Apportionment of support costs	112	77
Trustee Board costs	55	4
	434	355

The Football Foundation

Notes to the financial statements

7. Net income

	2018 £'000	2017 £'000
Net income is stated after charging:		
Depreciation on tangible assets	129	132
Amortisation on intangible assets	263	225
Loss on disposal of tangible assets	5	-
Amounts payable under operating leases	611	611
Auditors' remuneration for:		
Audit services	33	33
Taxation and other services	7	18

The Charity incurred audit costs of £26,215 excluding VAT (2017: £25,700) and taxation and other services costs of £2,500 excluding VAT (2017: £2,400). Audit costs of £6,935 excluding VAT (2017: £6,800) and taxation and other service costs of £4,400 excluding VAT (2017: £15,300) incurred by the trading subsidiary are included within the trading costs.

8. Employee information

	2018 Number	2017 Number
The average monthly number of persons employed by the Group during the year was:		
Administration	59	51
Upshot commercial operations (FFTL)	7	7
	66	58
	2018 £'000	2017 £'000
Staff costs (for the above persons)		
Wages and salaries	2,684	2,391
Social security costs	282	246
Other pension costs	186	158
	3,152	2,795

The Group operates a defined contribution pension scheme contributing 8.0% of gross salaries on behalf of employees.

The Football Foundation

Notes to the financial statements

8. Employee information (continued)

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

Group	2018 Number	2017 Number
£60,001 - £70,000	2	2
£80,001 - £90,000	2	-
£100,001 - £110,000	1	1
£210,001 - £220,000	-	1
£220,001 - £230,000	1	-

For those staff whose emoluments exceeded £60,000, pension contributions amounting to £40,022 (2017: £34,967) were paid for the provision of money purchase benefits. No Trustee received any remuneration from the Group during the year. Two Trustees were reimbursed with a total of £564 for expenditure on travel and subsistence, incurred for attendance at Board meetings on behalf of the Foundation (2017: £590).

Senior employees who have the authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel. Total remuneration paid in 2018 in respect of these five individuals (2017: four) was £544,096 (2017: £452,984).

9. Taxation

The Foundation 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.

FFTL is registered for VAT, and consequently all its income and expenditure is recorded net of VAT. As per policy, FFTL gift aids all of its current realised profits to the Charity. However, there was liability to corporation tax in the year due to the utilisation of brought forward losses in FFTL.

A deferred tax asset of £81,331 (2017: £96,391) has not been recognised on the losses arising in FFTL on the basis that sufficient profits cannot be guaranteed at this stage of FFTL's development and historical deficits brought forward exceed profits generated to date.

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

The income attributable to the Charity was £58.0m (2017: £67.8m). The expenditure for the year attributable to charitable activities was £53.3m (2017: £19.7m).

The Football Foundation

Notes to the financial statements

11. Tangible assets

Group and Charity	Fixtures and fittings	Computer software and equipment	Total
	£'000	£'000	£'000
Cost			
At 1 June 2017	714	3,070	3,784
Additions	-	50	50
Disposals	-	(10)	(10)
At 31 May 2018	714	3,110	3,824
Accumulated depreciation			
At 1 June 2017	586	2,946	3,532
Charge in year	54	75	129
Disposals	-	(5)	(5)
At 31 May 2018	640	3,016	3,656
Net book value			
At 31 May 2018	74	94	168
At 31 May 2017	128	124	252

12. Intangible assets

Group and Charity	Total
	£'000
Cost	
At 1 June 2017	1,217
Additions	52
At 31 May 2018	1,269
Accumulated amortisation	
At 1 June 2017	740
Charge in year	263
At 31 May 2018	1,003
Net book value	
At 31 May 2018	266
At 31 May 2017	477

Intangible assets primarily comprise software development costs for the Upshot online monitoring system.

The Football Foundation

Notes to the financial statements

13. Investments

Group and Charity	£'000	£'000
At 1 June 2017 / 2016	47,791	31,153
Purchases	62,500	52,500
Disposal proceeds	(55,513)	(36,336)
Interest received on investments	221	183
Interest accrued on investments	207	291
At 31 May 2018 / 2017	55,206	47,791

During 2018 the Foundation invested available funds into notice accounts and fixed-term cash deposits. The maximum duration was twelve months.

14. Debtors

	Group		Charity	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Amounts owed by FSIF	422	444	422	444
Amount owed by FFTL	-	-	118	96
Other debtors	143	138	35	96
Prepayments and accrued income	23,180	15,794	23,171	15,733
	23,745	16,376	23,746	16,369

The FA donated £22.0m (2017: £31.4m) to the Foundation during the year of which £16.0m remained outstanding as at 31 May 2018. This was included as part of accrued income, of which the full amount was subsequently received after May 2018.

	Group		Charity	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Amounts falling due after one year:				
Loan to Arnold Town FC	108	96	108	96
	108	96	108	96

The Football Foundation

Notes to the financial statements

15. Creditors: amounts falling due within one year

	Group		Charity	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Trade creditors	478	98	476	96
Taxation and social security costs	92	78	92	78
Grants payable	47,600	42,254	47,600	42,254
Other creditors	76	24	46	-
Accruals	334	215	303	185
Deferred income	118	88	32	3
	48,698	42,757	48,549	42,616

The amount of deferred income released from the prior year in 2018 was £58,120 (2017: £48,365). The amount of income deferred in 2018 was £88,510 (2017: £55,436).

16. Funds

Group	2017 Balance £'000	Income £'000	Expenditure £'000	Investment income £'000	2018 Balance £'000
Unrestricted funds					
Funds retained within the Charity	48,858	58,108	(53,328)	428	54,066
Funds retained within FFTL	171	595	(507)	-	259
Total funds	49,029	58,703	(53,835)	428	54,325

Charity	2017 Balance £'000	Income £'000	Expenditure £'000	Investment income £'000	2018 Balance £'000
Unrestricted funds					
Funds retained within the Charity	48,858	58,108	(53,328)	428	54,066
Total funds	48,858	58,108	(53,328)	428	54,066

The Football Foundation

Notes to the financial statements

17. Analysis of the net assets between funds

Group	Unrestricted funds	Restricted funds	Balance 2018
	£'000	£'000	£'000
Intangible assets	266	-	266
Tangible assets	168	-	168
Net current assets	53,783	-	53,783
Debtors: amounts falling due after one year	108	-	108
Net assets	54,325	-	54,325

Charity	Unrestricted funds	Restricted funds	Balance 2018
	£'000	£'000	£'000
Intangible assets	266	-	266
Tangible assets	168	-	168
Net current assets	53,524	-	53,524
Debtors: amounts falling due after one year	108	-	108
Net assets	54,066	-	54,066

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

	2018	2017
Group	£'000	£'000
Change in net funds:		
(Decrease) / increase in cash	(3,251)	5,944
Net funds at 1 June	26,771	20,827
Net funds at 31 May	23,520	26,771

19. Operating leases

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

	2018	2017
Group	£'000	£'000
Operating leases which expire:		
Within one year	592	-
Two to five years	19	611
	611	611

In August 2018, the Foundation surrendered its office lease agreement at Whittington House. The Foundation entered into a new long-term office lease agreement at Eastbourne Terrace in June 2018 with an annual commitment of £492,108.

The Football Foundation

Notes to the financial statements

20. Commitments

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

21. 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 2018 is £2 (2017: £2).

22. Related party transactions

The Charity has taken advantage of the exemption provided by FRS 102 Section 33 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 Executive Chairman of the Premier League and Director of FFFL and The Football Stadia Improvement Fund Limited. The Premier League donated £17.4m (2017: £17.3m) to the Foundation during the year.

Mr P D G McCormick OBE is an employee of the Premier League (Chairman of the Football Board and nominated Director of The FA), Senior Partner at McCormick Solicitors (including Executive Chairman of the Legal Advisory Group to the Premier League) and Director of The Football Stadia Improvement Fund Limited.

Mr M Glenn is the Chief Executive Officer of The FA and Director of The Football Stadia Improvement Fund Limited. The FA donated £22.0m (2017: £31.4m) to the Foundation during the year of which £16.0m remained outstanding as at 31 May 2018. This was included as part of accrued income within note 14, of which the full amount was subsequently received after May 2018.

Mr R F Burden is Chairman of Gloucestershire FA; however, he is not involved in the decision-making process for any grants relating to that region.

Mr J Pearce is member of The FA's Board (National Game representative), Remuneration Committee, Judicial Panel, League Finance Committee and Alliance Committee. He is also a member of The Football Stadia Improvement Fund Limited Investment Panel, the general manager and vice-chairman of Bognor Regis Town F.C. and a council member of Sussex County FA.

Ms J Price was the Chief Executive Officer of Sport England. Ms R Chester was the Chief Operating Officer of Sport England. The Government (via Sport England) donated £18.0m (2017: £18.0m) to the Foundation during the year.

The Foundation's and FFFL's staff are employed under joint contracts with FSIF. A proportion of staff costs are recharged to FSIF together with an element of the running costs of the Foundation totalling £0.5m (2017: £0.5m).

The Football Foundation

Notes to the financial statements

23. Grants awarded during the financial year

Grants awarded during the financial year amounted to £49.5m (2017: £18.0m). A list of the 50 largest facility grants awarded during the year is provided below. Each of these organisations received at least one grant in the financial year. The grants payable disclosed exclude grant delivery costs amounting to £4.7m (2017: £3.6m). No grant has been made to any individual.

Name	£	Name	£
Parklife		Single sites (cont.)	
Ealing Council and Hounslow Council: Gunnersbury Park	4,000,000	Wedmore Playing Fields	421,425
Ealing Council: Rectory Park	3,243,812	Alnwick Town Juniors FC	409,871
Eastleigh Borough Council: BTC Sports Ground	2,942,000	South Norfolk Council	394,292
Liverpool City Council: Jericho Lane	3,839,098	Curzon Ashton FC	367,483
Liverpool City Council: Jeffrey Humble Sports Ground	3,720,399	Kader FC	363,967
Liverpool City Council: Simpson Sports Ground	2,943,642	Barnsley PL on behalf of Barnsley MBC	361,598
Liverpool City Council: Heron Eccles Sports Ground	2,224,861	Pannal Sports JFC	354,937
		Queensbury Celtic FC	350,642
Single sites		Guiseley Juniors FC	328,397
Foundation of Light	1,000,000	The Vyne Community School	316,594
Beccles Town FC	598,654	Blackpool Council	308,133
Fylde Coast Academy Trust	576,353	Wokingham Borough Council	245,000
Wallsend FC	564,799	Roads FC	237,330
Roundwood Park School	500,000	West Oxfordshire District Council	212,044
Handsworth Parramore FC	500,000	Burwell Parish Council	163,985
Mansfield Town	500,000	The Hereford Academy & the BAET	150,548
Nottinghamshire YMCA	500,000	Derbyshire CC & Glossopdale School	134,042
Stanton Ilkeston FC	499,628	Rishton United FC	100,000
Philip Morant School And College	498,959	Bedale Juniors FC	100,000
Selwood Academy	498,621	Cowplain Community School	100,000
Ryburn United Juniors FC	488,400		
Wandsworth Borough Council	479,896	Premier League Club Hubs	
Testbourne Community School	474,800	Swindon Town FitC	1,000,000
Needham Market FC	473,792	Watford FC CSE Trust	635,540
Samuel Ryder Academy & Scholars Trust	457,886	Bumley FitC	611,732
Everyone Active & Daventry DC	455,489	Norfolks Community Hub	495,000
Harborough Town Juniors FC	436,123	Everton in the Community	469,044

24. Ultimate controlling party

There is no ultimate controlling party of The Football Foundation.