



...using the power of sport to change lives.



The Football League (Community) Limited

Trustees' Report and Financial Statements

Registered number 6469948

Charity registered number 1132689

30 June 2016

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## Trustees' Report

The trustees, who act as directors for the purposes of company law, present their directors' report and the consolidated financial statements of the charity and its subsidiary for the year ended 30 June 2016. The financial statements are prepared in accordance with the Charities Statement of Recommended Practice 2015 (FRS 102) and applicable accounting standards.

## Chairman's report

Before looking back on another successful year for the Charity, it is with great excitement that we look forward to our new future trading as EFL Trust. After nine remarkable years trading as the Football League Trust, we embark on the new season with our new brand and with a renewed enthusiasm and purpose as the Official Charity of the English Football League (EFL).

The 72 clubs of the EFL are remarkable institutions, organisations that have survived and thrived through every conceivable challenge over the past, in some cases as many as 150 years. Each club has a strong identity with its local community, and the EFL Trust harnesses that identity via each club's own charitable trust to use the power of sport to change lives. We are indebted to this network of local club trusts which does much of the hard work on the ground for us in delivering our programmes. Together we have grown to the position where they now have a combined annual turnover of over £44 million and employ 2,500 members of staff, including teachers, coaches and professional health workers.

In turn, we as a Charity have been able to attract £17.9 million of funding this year, an increase of more than £500,000 compared to last year and over three and a half times the income we reported five years ago – which is an enviable record of success.

I believe that this success is based on our unique offering to funders; the fact that our local trusts are able to use the magnetism of their parent club badge and heritage to connect with many people other organisations struggle to engage. Their location, in the heart of their local communities, also means that they are able to deliver directly to those people who most need their help.

However, no organisation operates without having to overcome challenges along the way, and this year we faced a major challenge when our Futsal and Education programme funding partner went into administration in November. Thanks to the hard work of our staff, we were able to ensure that the programme continued with very little disruption to students, although our network incurred some financial losses as a result of the collapse. Our financial strength meant that the Charity was able to reimburse some of the losses participating trusts had incurred from our reserves, but the reorganisation of the scheme impacted on our results in that, under the new programme, revenue flows directly to club trusts rather than through the Charity to clubs. The effect was to reduce our income by over £1 million, although the effect on our ongoing management charges was minimal.

The second challenge we faced in the year was the publication of Sport England's new strategy document "Towards an active nation". We participated fully in the consultation process and, once the strategy was published, we took the opportunity to look at ourselves critically and consult with stakeholders to decide how our organisation should look and operate to respond to the new challenges and take advantage of the new opportunities presented by the strategy. I'm pleased to say that it was a successful exercise and the first results are reflected in sections of this report. I am confident that we will see significant benefits from the exercise over the next few years as we improve our fitness for purpose for the challenges which will come our way.

As ever, in closing I extend my thanks to our staff for their hard work and professionalism, without which we could not harness the undoubted power of sport to change so many lives for the better.

John Nixon  
Chair of Trustees

Trustees' report (*continued*)

**Who are we?**

**Trustees**

M Brannigan  
G Taylor OBE  
J Nixon  
M Farrar  
DG Kerr  
CEJ Hill  
PD Ackerley  
NJ Perchard (appointed 14th September 2015)  
K Reed (appointed 14th September 2015)

**Secretary**

T S Detko

**Director of Operations**

Mike Evans

**Registered office**

Edward VII Quay  
Navigation Way  
Preston  
PR2 2YF

**Bankers**

Barclays Bank PLC  
2-4 Birley Street  
Blackpool  
Lancashire  
FY1 1DU

**Solicitors**

Farrer & Co LLP  
66 Lincoln's Inn Fields  
London  
WC2A 3LH

**Auditor**

KPMG LLP  
Chartered Accountants and Registered Auditor  
One St Peter's Square  
Manchester  
M2 3AE

**Company/Charity number:**

Company number: 6469948 (a company limited by guarantee)  
Charity Number: 1132689



## Trustees' report (*continued*)

### Structure

The Football League (Community) Ltd, operating under the name "EFL Trust", is the official charity and community arm of the EFL (English Football League). It uses the power of sport to improve lives and make a positive contribution to communities all over the country. With 72 club trusts in its network, the EFL Trust provides leadership, structure and a collective identity to programmes of varying size and structure.

The ultimate parent company of The Football League (Community) Limited is The Football League Limited, which is the only member of both The Football League Trust Limited (a company limited by guarantee) and FL Interactive Limited (a company limited by shares).

The Football League Trust Limited is the only member of The Football League (Community) Limited, which is a company limited by guarantee which obtained charitable status on 13 November 2009.

The Football League (Community) Limited, in turn, is the sole shareholder of its subsidiary, FLT Community Trading Limited, a company limited by shares which was incorporated on 10 June 2010.

The Company is operated under the rules of its Memorandum and Articles of Association dated 10 January 2008, as amended on 17<sup>th</sup> March 2016.

### Governance

The management of the Company is the responsibility of the Trustees, who are nominated by EFL, The Professional Footballers' Association, the FA Premier League and The Football Association, plus three independent trustees, all of whom are recruited on the basis of their experience, knowledge and expertise. The Board consists of nine trustees who keep up to date with changes in charity law and accounting developments on a continuous basis by reference to professional publications and training where necessary. Questions arising at a meeting are decided by a majority of votes. In the case of an equality of votes, the chair has a casting vote.

The trustees of the charitable company meet quarterly to administer the charitable company and they are assisted by external professional advisors as appropriate who also advise the Trustees to enable them to discharge their duties effectively. Between the quarterly Board meetings, Marketing, Finance and Remuneration committees meet to discuss strategic issues with members of the management team.

### Management

During the year, day to day management of the charity was delegated by the Trustees to Mike Evans (Director of Operations) and his senior management team. The remuneration of the senior management team is reviewed annually by the board and normally increased in line with inflation and any increased responsibilities. In addition, senior salaries are periodically benchmarked against similar charities, taking into account comparative turnover and staff numbers. From this, a remuneration range is established for each role and level of responsibility. Individual salaries are then negotiated within the applicable range, based on performance.

No Trustees received any remuneration for their services as trustees. Details of Trustees expenses are disclosed in note 6.

At the time of writing, the EFL Trust is undergoing a restructure of its management team to deliver the new 3 year Strategic Plan noted above. In order to better respond to and support our network of trusts, we are changing our structure to move away from a geographically based support team to one based on specialist areas of expertise, which we believe is the logical next step as our club trusts grow into bigger, more sophisticated and more professional organisations.

## **What do we do?**

### **Objectives**

Following a review by the Trustees, and with the permission of the Charity Commission, the charity's objectives were amended during the year to better reflect the current and future activities of the company and the public benefit as follows:

- to promote physical education,
- to promote community participation in healthy recreation by providing facilities for the playing of football and other sports capable of improving physical health;
- to assist (whether by providing financial or such other assistance as may be deemed appropriate by the trustees) in providing facilities for sport, recreation or other leisure time occupation of 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 the public and to provide opportunities for them to develop their full capacities, and enable them to become responsible members of society so that their conditions of life may be improved; and
- the furtherance of such a charitable purpose or other charitable purposes as the trustees of the charity shall from time to time think fit.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting the donation policy for the year.

### **Funding**

During the year we have continued to provide donations to the community trusts of football clubs to support participation in football and other sports and use these activities to promote community engagement and improve the standards of health and education in the communities they serve.

Whilst trusts of EFL clubs are automatically part of the EFL Trust network, in order to qualify for funding they must complete an annual Capability Status process to ensure that they are fit for purpose to and can deliver high quality programmes. Assessment of Capability Status on an annual basis is a key function of EFL Trust.

Funding is awarded on a case by case basis for projects which are designed to meet the requirements of our objects and the public benefit. Trusts are invited to bid for these projects and the best applications are accepted if they meet the required criteria. Bids not meeting the criteria or not being of sufficient quality are rejected. Grants are treated as binding upon written confirmation of acceptance, sent to the recipient.

In addition, EFL Trust will work on occasion with other organisations to deliver its programmes. This includes trusts of Premier League and National League clubs, or other third sector organisations that bring a specific skill set or geographical coverage that the EFL club trusts cannot provide.

### **Activities**

On a day to day basis, we manage our business under four areas of activity, with a common thread of encouraging people of all ages, sex, race and creed to engage in sporting activities of all kinds to improve their quality of life, their level of education and to equalise opportunities in society, in line with our objects.

Some examples of the projects we have funded in the four themes of Sport, Education, Community Engagement and Health are illustrated below, with more detailed analysis of the aims and reach of our programmes on page 8.



## Sport

The [FA Female Football Development programme](#) presents opportunities for players of all abilities to join the female football revolution. We have delivered thousands of sessions to drive participation in and growth of the female game, built upon an ethos of fun, friends, and fitness.



[Walking Football](#) is a slower paced version of the beautiful game, aimed at the over 50s. Smaller pitches and plenty of breaks ensure participants enjoy a safe and enjoyable return to football with all the health and fitness benefits of regular exercise.





## Education

### *Traineeship Programme*

A pilot Traineeship programme was launched in 2015/16 for 16-18 year olds wanting to gain work experience in a professional football environment and who might be considering an apprenticeship or moving onto a full time study programme such as the Futsal & Education course. This programme will be run across the country from September 2016, with some 30 EFL clubs recruiting young people.

### *Futsal & BTEC Extended Diploma in Sport*

We provide a unique opportunity for boys and girls aged 16 to 18 to pursue a full time Futsal & Education study programme, a genuine alternative to studying at a sixth form or college, that leads to a Level Three BTEC National Extended Diploma in Sport – equivalent to three A Levels.

The programme is delivered across England and Wales by more than half of the club trusts in the EFL, with students undertaking a unique blend of Sport related studies based at their home club. As part of their enhancement activities, they represent their club, playing in Futsal league and cup competitions.

### *Foundation Degree in Community Football Coaching & Development*

On completion of the two year BTEC programme, the majority of students progress into higher education, many on to the Foundation Degree in Community Football coaching & Development that the EFL Trust has developed in partnership with the University of South Wales. A top-up to a full degree will be available in 2016/17. Students are based at their home club and attend residential courses at USW.

### *BA (Hons) in Business Management (Sport & Football)*

The EFL Trust is working in partnership with the Open University to offer a BA (Hons) in Business Management (Sport & Football). The degree gives students the chance to explore business principles using football industry related examples and material. Students can also take the Football modules as part of other degree programmes.





## Community Engagement

The [National Citizen Service](#) (NCS) scheme is a scheme open to 15 to 17 year olds, designed to encourage personal and social development through activities requiring leadership, teamwork and communication. In addition to these benefits, an evaluation by Ipsos Mori in December 2015 reported that NCS was found to have positive impacts in relation to social mixing, transition to adulthood and community involvement.



## Health

The Kinder+ Sport [Move and Learn](#) Programme focuses on the importance of encouraging young people to be physically active, to eat a moderate and balanced diet and to lead a healthy lifestyle. The programme is delivered in schools to Year 5 students over a six week period and promotes a good understanding of nutrition, health and well-being.





### How did we perform?

As part of our internal reviews this year, we have adopted the following policy statement:

*"In an environment where transparency and accountability are paramount and scarce resources mean we have to make every action count, it is important that we monitor and evaluate our progress and communicate it to all internal and external stakeholders."*

To confirm that we can achieve our desired outcomes, we have a dedicated team of project managers and co-ordinators to ensure that funding is being utilised correctly and effectively. EFL Trust has invested significant resource in industry leading, online monitoring and evaluation tools that link our network and provide a wealth of quantitative and qualitative data on which the impact of projects can be judged. This in turn provides a rich source of information that can be used to continuously improve delivery, and advise future opportunities.

We can analyse participation in our main programmes as follows:

Programme	Aims	Participant Numbers
National Citizen Service	Personal development for young people aged 15 to 17.	9,429
Education & Futsal	Alternative options for young people aged 16 to 18 to obtain a B Tech extended diploma.	1,349
USW Foundation degree in football coaching and development.	Opportunities for young people over 18 to continue into higher education, based at their home club.	270
OU BA (Hons) Business Management.	Opportunities for students over 18 to study for a degree using football industry related case studies.	99
FA Female Football Development	Fitness & participation for women & girls of all ages	16,099
Walking Football	Fitness and participation for the over 50's	1,188
Kinder+ Move & Learn	Promote an understanding of a healthy lifestyle to year 5 pupils.	27,128

For those outcomes that are less tangible, such as those specified in the government strategy: mental wellbeing, individual development and social and community development, we will take guidance from Sport England's work on the best way to include measures of subjective wellbeing, perceived self-efficacy and levels of social trust.



## Financial review and strategic report

The level of funds generated is one of the key performance indicators of the Company as this income forms the basis for donations. The table below is an extract of the Company's financial record for the last five years, showing a pattern of uninterrupted growth in income and consequent donations to club trusts over that period.

£000s	15/16	14/15	13/14	12/13	11/12
Charitable income	17,445	16,983	13,486	8,858	4,765
Expenditure on charitable activities	17,054	16,535	13,158	8,735	4,791
Net movement in funds	471	511	356	205	51

Once again our income growth has been powered principally by the NCS scheme, which shows income this year of over £12.9 million, an increase of more than 20% over last year. The government's determination to offer the NCS opportunity to more young people, added to our unique ability to attract those young people to take up the offer is a powerful mix, the result of which is shown in this growth.

Further substantial growth is shown in our partnership with the University of South Wales, which builds upon our Education and Futsal scheme and offers a route to higher education for young people.

A change in the Futsal scheme operating model meant that our income fell dramatically in that, rather than the charity collecting funds and distributing these to club trusts, the trusts now receive their funding directly from colleges, with just a management fee passing through the charity accounts. Whilst this was a planned change, the collapse of our partner AtFutsal, the historic "clearing house" for payments to clubs, brought forward the change considerably and meant that some clubs lost income as a result of the collapse. To support those trusts which had incurred losses, the trustees decided to utilise some of the charity's free reserves and a sum of £206,823 was paid out to them.

Our women and girls football programme continued this year at a slightly lower funding level than 2014/15 and unfortunately ends this year, although its success means that it has been taken up by the FA Premier League who will develop and broaden the scheme with the increased resources they are able to bring to bear.

Overall, the increase in income meant that we were able to increase our expenditure on charitable activities by 3% to £17 million, although this growth figure was skewed slightly by the above noted change in the Education and Futsal scheme funding model.

The charitable company has thus made a surplus of income over expenditure in the year of £683,163 (2015: surplus of £511,440), which has been added to unrestricted reserves. In addition, a sum of £14,000 has been added back into unrestricted reserves as a result of a change in the level of our strategic reserve, held as designated funds. A further sum of £211,933 was paid to club trusts from our designated fund set aside last year to help them improve their infrastructure. The net increase in our reserves was thus £471,229.

Overall, we are satisfied with the charitable company's performance during the year under review, more information on which is contained in the statement of financial activities (incorporating the income and expenditure account) on page 9. In addition, the financial position of FLT Community Trading Limited can be seen in note 3 to the accounts.

However, we will continue to work to retain and expand our range of funding sources and community programmes and we note below our intention to earmark funds for this purpose in the coming year.

## **What does the future hold for us?**

The EFL Trust is a relatively young organisation that has grown quickly. Managing growth has been a key challenge for the Trustees and management team, and some significant changes in the operating environment pointed very clearly towards a re-evaluation of the charity's strategy and structure.

In December 2015, the government's publication of "Sporting Future: A New Strategy for an Active Nation" precipitated a detailed review of EFL Trust's current strategy and operations with a view to being relevant and fit for purpose in a new and challenging sports environment. Whilst 'Sport' is only one of EFL Trust's four key themes, it is the golden thread that holds all of our work together.

The subsequent strategies from the Department for Culture, Media and Sport and Sport England both clearly set out the high standards of Governance and Quality that they expect from organisations such as ourselves, and having fully contributed to the consultations we are delighted with their conclusions. These standards are fundamental to high quality, high performing organisations in our sector regardless of the aims and objectives of the individual projects being delivered.

During our strategic review it became evident that our role was essentially one of service to our network of EFL club trusts to ensure that they had the best possible changes to achieve their objectives. As an organisation the EFL Trust does not deliver on the ground, but provides funding, information, advice, guidance and support to those that do, whilst promoting their work to as wide an audience as possible.

The outcome of our review is that we will use six strategic objectives to determine our work programmes and the provision of funding to our network of football club trusts and other third sector organisations over the coming years:

### ***Stakeholder relationships:***

*We will champion the work of EFL Trust and its network to stakeholders and other key decision makers to achieve greater recognition of EFL Trust and its network with policy makers and funders.*

### ***Organisational development:***

*We will develop the capability of EFL Trust and its network to the highest corporate standards and develop a culture of continuous improvement in EFL Trust and its network in order to be regarded as a trusted, transparent and accountable organisation.*

### ***Business development:***

*We will expand funded and other programmes through existing and new partnerships to increase the sustainability of the Trust and its network.*

### ***Marketing and promotion:***

*We will promote and connect the work of EFL Trust and its network to all relevant audiences, with a brand strategy which is shared by our network and our stakeholders, and provide a national media platform for our network to use.*

### ***Insight and impact:***

*We will be evidence based in making decisions by further developing the capacity to measure the impact of our activities and design new programmes using that research.*

### ***Programme delivery:***

*We will fully resource and support our network in the delivery of their programmes, providing pathways for participation and progression that meet community needs and drive inclusive and quality delivery throughout the network.*

## Trustees' report (*continued*)

### Principal Risks and Uncertainties

The Trustees have examined the major risks which the charitable company faces and confirm that systems have been established to provide regular reporting so that those risks can be mitigated. Internal risks are minimised by segregation of duties and procedures for authorisation of all transactions.

In all areas of the business, it is recognised that the Company is reliant on the generosity of organisations such as our long term partners the Professional Footballers Association, in donating funds to enable it to continue to provide clubs' community trusts with funds to allow these trusts to offer opportunities, sport and education to their local populations.

The Company's main income stream, the National Citizen Service scheme, is contracted up to summer 2018 in its current form. David Cameron's government committed to expand overall participant numbers to 300,000 per year by 2020 and create a new statutory framework to deliver the NCS scheme. EFL Trust has consistently been among the best performing NCS delivery organisations and so it is well placed to maintain and expand its participation in the scheme.

A Bill to confirm the NCS Programme as a statutory offer to all young people was in the last Queen's Speech and is expected to begin its journey through the Parliamentary process in September 2016. EFL Trust is working hard with the NCS Trust to ensure NCS remains a priority under Teresa May's Government.

The FA's funding for our Female Football Development scheme ends this year, but the success of the scheme is such that it has been taken up by the FA Premier League, which will expand the scheme further under its own management. To replace this, we have been successful in bidding for funding from the Wembley National Stadium Trust to deliver opportunities for the disabled to participate in sporting activities. Success stories such as these lead us to believe that the core strengths of the company, the ability to deliver effective programmes to carefully targeted sections of the community, and the ability to demonstrate this effectiveness in numbers and outcomes, mean that we will continue to be able to attract funding for our programmes, despite the challenges we face in an ever changing marketplace.

We recognise however, that the NCS scheme forms a large portion of our revenue and, in order to broaden the Company's income base, it is proposed that funds be made available during the coming year to obtain new partners by means of a marketing campaign and the recruitment of suitably qualified individuals to seek out new opportunities for the Company to further its objectives.

The Company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk and manages these through credit control procedures where appropriate.

### Reserves policy

It is the policy of the charitable company to maintain unrestricted funds at a level that will be adequate to meet unrestricted expenditure for the foreseeable future. The total net assets of the charitable company at the end of the financial year were £1,689,380 (2015: £1,218,151). The free reserves of the charity are considered to be the unrestricted funds less the fixed assets held which in the current year is £1,671,724 (2015: £1,205,455). The outgoing resources for the year ended 30 June 2016 amounted to £16,943,726 (2015: £16,425,276).

Given the potential variation in donations and the associated difficulty in establishing an accurate ideal reserves figure, a reserves figure of approximately £542,000 is considered by the trustees as a reasonable level to retain, to cover up to six months of wages and salaries, plus a provision for other closure costs. This is included in Designated Funds in the accounts. In addition, a sum of £360,000 (being 72 trusts able to apply for a maximum of £5,000 each) was transferred into Designated funds from surplus 14/15 funds to help club trusts improve their infrastructure, of which £211,933 has been distributed to date.

The Trustees will continue to monitor the level of reserves carried by the charitable company and it is their intention that any amounts in reserves held in excess of the designated funds will be distributed after the year end.



## Trustees' report (continued)

### Going concern

The Trustees are satisfied that The Football League (Community) Limited has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on this basis.

### Trustees

The current trustees are listed on page 2. The Trustees who served during the year, and prior to the signing of these financial statements, are listed below:

M Brannigan  
G Taylor OBE  
S Morgan (resigned 14th September 2015)  
J Nixon  
M Farrar  
DG Kerr  
CEJ Hill  
PD Ackerley  
NJ Perchard (appointed 14th September 2015)  
K Reed (appointed 14th September 2015)

The Company does not have a share capital. The Company's assets are guaranteed by its member up to a sum not exceeding £1 (see note 12).

### Disclosure of information to auditor


The Trustees who held office at the date of approval of this Trustees' report confirm that:

- so far as they are each aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- each trustee has taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

The Trustees Report, including the Strategic Report has been approved by the Board of Trustees and signed on behalf of the Board on *28th Feb* 2017.



M Brannigan  
Trustee  
Company registration number 6469948  
Charity registration number 1132689

## **Statement of Responsibilities of the Trustees in respect of the Trustees' Annual Report and the Financial Statements**

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

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

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

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

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



**KPMG LLP**

**One St Peter's Square**

**Manchester**

**M2 3AE**

**United Kingdom**

### **Independent auditor's report to the members of the Football League (Community) Limited**

We have audited the financial statements of The Football League (Community) Limited for the year ended 30 June 2016 set out on pages 16 to 28. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 30 June 2016 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

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





**Independent auditor's report to the members of the Football League (Community) Limited  
(continued)**

**Matters on which we are required to report by exception**

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

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

A handwritten signature in black ink, appearing to read 'Julie Radcliffe'.

Julie Radcliffe (Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
*Chartered Accountants*  
One St Peter's Square  
Manchester  
M2 3AE

6 March 2017

**Consolidated statement of financial activities (incorporating the income and expenditure account)  
for the year ended 30 June 2016**

	Note	Unrestricted funds	Designated funds	Restricted funds	Total 2016	Total 2015
		£	£	£	£	£
Income from:						
Donations	2	2,517,534	-	-	2,517,534	2,522,162
Charitable activities	3	-	-	14,927,247	14,927,247	14,461,750
Other trading activities		442,000	-	-	442,000	305,000
Investments	4	11,661	-	-	11,661	11,593
Total income		2,971,195	-	14,927,247	17,898,442	17,300,505
Expenditure on:						
Raising funds		(373,486)			(373,486)	(253,789)
Charitable activities	3	(1,914,547)	(211,933)	(14,927,247)	(17,053,727)	(16,535,276)
Total expenditure	5	(2,288,033)	(211,933)	(14,927,247)	(17,427,213)	(16,789,065)
Net income/(expenditure)		683,162	(211,933)	-	471,229	511,440
Transfers between funds	1 3	14,000	(14,000)	-	-	-
Net movement in funds		697,162	(225,933)	-	471,229	511,440
Reconciliation of funds:						
Total funds brought forward		302,151	916,000	-	1,218,151	706,711
Total funds carried forward		999,313	690,067	-	1,689,380	1,218,151

All transactions derive from continuing activities.

There are no other gains/losses other than those included in the statement of financial activities.

The notes on pages 19 to 28 form an integral part of these financial statements.



**Balance sheet**  
**As at 30 June 2016**

	Notes	Group		Charitable company	
		2016	2015	2016	2015
		£	£	£	£
Fixed assets					
Tangible fixed assets	7	22,076	20,674	17,655	12,695
Investments	8	-	-	1	1
Current assets					
Debtors	9	1,271,384	435,725	1,336,738	495,284
Cash at bank and in hand		4,167,562	4,426,809	3,967,705	4,281,092
		5,438,946	4,862,534	5,304,443	4,776,376
Creditors: amounts falling due within one year	10	(3,771,642)	(3,665,057)	(3,632,719)	(3,570,921)
Net current assets		1,667,304	1,197,477	1,671,724	1,205,455
Net assets		1,689,380	1,218,151	1,689,380	1,218,151
Funds					
Unrestricted funds		999,313	302,151	999,313	302,151
Designated funds		690,067	916,000	690,067	916,000
	13	1,689,380	1,218,151	1,689,380	1,218,151

The notes on pages 19 to 28 form an integral part of these financial statements.

These financial statements were approved by the Board of trustees on 28 February 2017

Signed on behalf of the Board of Directors



M Brannigan  
Trustee

Company registration number 6469948  
Charity registration number 1132689

**Consolidated cash flow statement  
for the year ended 30 June 2016**

	<i>Note</i>	2016 £	2015 £
Net cash (outflow)/inflow from operating activities	14	(251,428)	942,032
Returns on investments and servicing of finance	15	11,661	11,593
Capital expenditure and financial investment	15	(19,480)	(13,358)
		<hr/>	<hr/>
Cash (outflow)/inflow before use of liquid resources and financing		(259,247)	940,267
Financing		-	-
		<hr/>	<hr/>
(Decrease) / increase in cash in the year		(259,247)	940,267
		<hr/> <hr/>	<hr/> <hr/>
Reconciliation of net cash flow to movement in net funds		2016 £	2015 £
(Decrease) / increase in cash in the year		(259,247)	940,267
Cash at bank and in hand:			
At 1 July 2015		4,426,809	3,486,542
		<hr/>	<hr/>
At 30 June 2016		4,167,562	4,426,809
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 19 to 28 form an integral part of these financial statements.



**Notes to the accounts**  
**for the year ended 30 June 2016**

**1. Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

**Basis of preparation**

The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006, the Statement of Recommended Practice applicable to charities (FRS 102) and applicable accounting standards and under the historical cost convention.

**Reconciliation with previous Generally Accepted Accounting Practice**

In applying the accounting policies required by FRS102 and the Charities SORP the Trustees consider that a restatement of comparatives was required for the "in kind" donation of goods and services by the Football League Ltd to the charitable company. A sum of £110,000 has thus been added to both income and expenditure in the 2015 comparative figures.

**Going Concern**

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Trustees' Report on pages 1 to 12. The company has considerable financial resources and as a consequence, the trustees believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The trustees have a reasonable expectation that the company has 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.

The consolidated financial statements incorporate the financial statements for the Charity and its subsidiary FLT Community Trading Ltd on a line by line basis. The Charitable company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual Statement of Financial Activities.

**Voluntary income**

Voluntary income made up of donations from football funding bodies is included in the year in which it is receivable, which is when the company becomes entitled to the resource.

**Activities for generating funds**

Income received relates to amounts gifted to the charitable company from FLT Community Trading Limited.

**Investment income**

Investment income relates to the investment of cash surpluses in bank accounts. Investment income from these funds is transferred to unrestricted funds in accordance with the terms of the relevant fund.

**Resources expended**

Resources expended have been charged to the statement of financial activities on an accruals basis. Direct charitable expenditure relates to the distribution of funds. Support costs are also incurred to enable the charitable company to provide these activities.

**Unrestricted funds**

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

**Designated funds**

Designated funds are funds are unrestricted funds which are earmarked by the Trustees for particular purposes.

**Restricted funds**

Restricted funds are funds that can only be used for restricted purposes within the objects of the charitable company. Restrictions arise when specified by the donor or when funds are raised for a restricted purpose.

Notes (continued)

1. Accounting policies (continued)

**Awards of funding to delivery partners**

Funding and donations are awarded by management on a case by case basis, upon application. Applications are accepted if they meet all the required criteria and otherwise rejected. Funding would be treated as binding upon written confirmation of acceptance, sent to the recipient.

**Investments**

Investments are stated at cost net of any provision for impairment.

**Depreciation and tangible fixed assets**

Capital purchases of £250 or more are charged to tangible fixed assets.

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

Computer software	3 years
Computer hardware and fixtures and fittings	4 years

**Debtors**

Trade and other debtors are recognised at the settlement amount. No trade discounts are offered.

**Creditors**

Creditors and provisions are recognised where the charity has an obligation resulting from a past event that will probably result in the transfer of funds to a third party. Creditors are recognised at the settlement amount after allowing for any trade discounts due.

**Pension costs**

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

**Taxation**

The entity, as a registered charity, is exempt from taxation on its income and gains falling within Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objectives. No tax charge has arisen in the year.

2. Income from Donations and Charitable Activities

	Unrestricted funds	Restricted funds	2016	2015
	£	£	£	£
Professional Footballers' Association	2,400,000	-	2,400,000	2,400,000
National Citizen Service		12,932,675	12,932,675	10,733,622
University of South Wales		787,250	787,250	300,412
FA Female football development	-	602,000	602,000	615,000
Futsal		485,418	485,418	2,169,123
Open University		52,256	52,256	45,316
Humber Learning Consortium		51,231	51,231	76,010
Other	7,534	35,917	43,451	60,414
Street games		(19,500)	(19,500)	163,000
Esmee Fairburn Fund		-	-	35,000
Prostate Cancer UK		-	-	60,000
Erasmus		-	-	216,015
Football League donation "in kind"	110,000	-	110,000	110,000
	<u>2,517,534</u>	<u>14,927,247</u>	<u>17,444,781</u>	<u>16,983,912</u>



Notes (continued)

Income from Donations and Charitable Activities (continued)

Unrestricted funds in 2015 were received from the Professional Footballers Association (£2,400,000), the Football League Ltd (£110,000 "in kind" donations of goods and services), and a number of other miscellaneous sources amounting to £60,414. All other income in 2015 was reported as restricted income.

**3. Activities for generating funds**

The charitable company has one trading subsidiary, FLT Community Trading Limited, a company incorporated in England and Wales. The charitable company owns the entire share capital of this company being 1 £1 ordinary share. FLT Community Trading Limited obtains funding from commercial partners and distributes this to club community trusts on the partners' behalf throughout the year. Any surplus at the end of the year is gifted to The Football League (Community) Limited.

A summary of the trading result of FLT Community Trading Limited is shown below. Audited financial statements for the year ended 30 June 2016 are filed with the Registrar of Companies. A Gift Aid donation of the taxable profit of £68,514 (2015: £51,211) was made to The Football League (Community) Limited.

	2016 £	2015 £
Turnover	442,000	305,000
Cost of sales	(341,867)	(231,650)
	—	—
Gross profit	100,133	73,350
Administrative expenses	(31,619)	(22,139)
	—	—
Operating profit	68,514	51,211
Gift aid donation to The Football League (Community) Limited	(68,514)	(51,211)
	—	—
Retained profit for the year	-	-
	=====	=====

The aggregate of the assets, liabilities and funds was:

	2016 £	2015 £
Assets	207,437	156,563
Liabilities	(207,436)	(156,562)
	—	—
Funds	1	1
	=====	=====

**4. Investment income**

	2016 £	2015 £
Bank interest receivable	11,661	11,593
	=====	=====

Notes (continued)

## 5. Resources expended

	2016 £	2015 £
(i) Analysis of total resources expended		
Staff costs	1,135,975	890,308
Support costs	394,206	311,838
Other direct costs	15,623,546	15,333,130
	<u>17,053,727</u>	<u>16,535,276</u>
	<u><u>17,053,727</u></u>	<u><u>16,535,276</u></u>
	2016 £	2015 £
(ii) Analysis of support costs		
Telephone, postage, stationery and printing	79,262	91,619
Employee medical costs	9,085	13,729
Staff training and advertising	27,309	20,447
Subscriptions and printing	1,947	1,701
Marketing	50,054	14,748
Consultancy and research costs	85,156	90,869
Depreciation and financial costs	4,603	12,970
Computer system support	31,530	47,549
Audit fees	5,260	8,206
	<u>394,206</u>	<u>311,838</u>
	<u><u>394,206</u></u>	<u><u>311,838</u></u>
	2016 £	2015 £
(iii) Analysis of other direct costs		
Donations to schemes	15,370,390	15,074,898
Motor, meeting and travel costs	252,435	241,052
Other costs	721	17,180
	<u>15,623,546</u>	<u>15,333,130</u>
	<u><u>15,623,546</u></u>	<u><u>15,333,130</u></u>

All donations to schemes relate to donations made to the community trusts of football clubs and other third sector organisations to support the promotion of, and participation in, healthy recreation by the general public. Projects supported include schemes to develop the social and life skills of young persons; to provide educational opportunities for young people; and to improve health and fitness for all in local communities.



Notes (continued)

## 6. Staff numbers and costs

Group	2016 £	2015 £
Employee costs during the year amounted to:		
Wages and salaries	960,605	749,348
Social security costs	101,391	82,877
Other pension costs	73,979	58,083
	<u>1,135,975</u>	<u>890,308</u>
	<u><u>1,135,975</u></u>	<u><u>890,308</u></u>
Average monthly number of persons employed by the Company during the period excluding directors:	33	24
	<u><u>33</u></u>	<u><u>24</u></u>

None of the trustees received any remuneration in respect of their services as directors of the Company (2015: *£nil*). Three trustees received a total of £1,097 expenses in the year (2015: *£1,093*).

Total contributions to the defined contribution scheme amounted to £73,979 (2015: *£58,083*). Payments of *£nil* were outstanding at 30 June 2016 (2015: *£nil*).

There was one employee paid between £80,000 and £90,000 in the period. (2015: 1 between £80,000 and £90,000). No other employees were paid more than £60,000 (2015: *None*)

## 7. Tangible fixed assets

Group	Computer Hardware & Fittings £	Computer Software £
<i>Cost</i>		
At 1 July 2015	29,393	19,634
Additions	15,000	4,480
	<u>44,393</u>	<u>24,114</u>
At 30 June 2016	<u><u>44,393</u></u>	<u><u>24,114</u></u>
<i>Depreciation</i>		
At 1 July 2015	(16,698)	(11,655)
Charge in year	(10,040)	(8,038)
	<u>(26,738)</u>	<u>(19,693)</u>
At 30 June 2016	<u><u>(26,738)</u></u>	<u><u>(19,693)</u></u>
<i>Net book value</i>		
At 30 June 2016	17,655	4,421
	<u><u>17,655</u></u>	<u><u>4,421</u></u>
At 30 June 2015	12,695	7,979
	<u><u>12,695</u></u>	<u><u>7,979</u></u>

Notes (continued)

7. Tangible fixed assets (continued)

<i>Charitable company</i>	Computer Hardware & Fittings £
<i>Cost</i>	
At 1 July 2015	29,393
Additions	15,000
	<hr/>
At 30 June 2016	44,393
	<hr/>
<i>Depreciation</i>	
At 1 July 2015	(16,698)
Charge in year	(10,040)
	<hr/>
At 30 June 2016	(26,738)
	<hr/>
<i>Net book value</i>	
At 30 June 2016	17,655
	<hr/>
At 30 June 2015	12,695
	<hr/>

8. Investments

<i>Group and charitable company</i>	Shares in subsidiary	
	2016	2015
	£	£
Cost and net book value		
Investment in subsidiary	1	1
	<hr/>	<hr/>

FLT Community Trading Limited is a wholly owned trading subsidiary of The Football League (Community) Limited and is registered in England and Wales and incorporated in Great Britain. FLT Community Trading Limited received funds from a commercial partner which were distributed to community schemes on the partner's behalf throughout the year, with the surplus gifted to The Football League (Community) Limited.

A summary of the trading results of FLT Community Trading Limited is shown as note 3 above.

Notes (continued)

## 9. Debtors

	Group		Charitable company	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	1,002,506	215,295	999,346	215,295
Other debtors	19,000	19,867	19,000	17,000
Amount due from intercompany debtors	-	-	68,514	62,426
Prepayments and accrued income	249,878	200,563	249,878	200,563
	<u>1,271,384</u>	<u>435,725</u>	<u>1,336,738</u>	<u>495,284</u>

Accrued income is recognised as an asset where grants have been awarded prior to the receipt of monies from the funding body. The timing of monies received from the funding body is dependent on the contractual terms.

## 10. Creditors: amounts falling due within one year

	Group		Charitable company	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	84,812	86,926	84,812	86,926
Other creditors	1,173	-	-	-
Accruals and deferred income	3,649,340	3,505,318	3,511,590	3,411,182
Amount due to intercompany creditors	36,317	50,576	36,317	50,576
Social security and other taxes	-	22,237	-	22,237
	<u>3,771,642</u>	<u>3,665,057</u>	<u>3,632,719</u>	<u>3,570,921</u>

Accruals are recognised where grants have been awarded pre-year end and the monies are paid post year end. Accruals are also recognised on the basis that if distributions were not made then an obligation would exist to return the monies back to the funding body net of any entitlement to retained management charges.

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

## 11. Analysis of net assets between funds

Group	Unrestricted funds	Designated funds	Restricted funds	Total funds 2016	Total funds 2015
	£	£	£	£	£
<i>Fund balances at 30 June 2016 represented by:</i>					
Fixed assets	22,076	-	-	22,076	20,674
Current assets	2,155,627	690,067	2,593,252	5,438,946	4,862,534
Current liabilities	(1,178,390)	-	(2,593,252)	(3,771,642)	(3,665,057)
	<u>999,313</u>	<u>690,067</u>	<u>-</u>	<u>1,689,380</u>	<u>1,218,151</u>



Notes (continued)

11. Analysis of net assets between funds (continued)

Charitable company	Unrestricted funds	Designated funds	Restricted funds	Total funds 2016	Total funds 2015
	£	£	£	£	£
<i>Fund balances at 30 June 2016 represented by:</i>					
Fixed assets	17,656	-	-	17,656	12,696
Current assets	2,156,874	690,067	2,457,502	5,304,443	4,776,376
Current liabilities	(1,175,217)	-	(2,457,502)	(3,632,719)	(3,570,921)
	<u>999,313</u>	<u>690,067</u>	<u>-</u>	<u>1,689,380</u>	<u>1,218,151</u>

12. Company Limited by guarantee

The Company does not have a share capital. The Company's assets are guaranteed by The Football League Trust Limited (registered company no. 6466997) up to a sum not exceeding £1.

13. Reconciliation of movements in funds

	At 1 July 2015	Incoming Resources	Outgoing resources	Transfers	At 30 June 2016
<b>Restricted funds</b>					
Total restricted funds	-	15,369,247	(13,136,311)	(2,232,936)	-
<b>Unrestricted funds</b>					
Designated infrastructure grants	360,000	-	(211,933)	-	148,067
Designated strategic reserve	556,000	-	-	(14,000)	542,000
General funds	302,151	2,419,195	(3,968,969)	2,246,936	999,313
Total unrestricted funds	<u>1,218,151</u>	<u>2,419,195</u>	<u>(4,180,902)</u>	<u>-</u>	<u>1,689,380</u>
<b>Total Funds</b>	<u>1,218,151</u>	<u>17,788,442</u>	<u>(17,317,213)</u>	<u>-</u>	<u>1,689,380</u>

The net movement on funds is comprised entirely of net movements on unrestricted funds.

The net movement on restricted funds was £nil. During the year, a sum of £2,232,936 was transferred from restricted funds to general funds, being management charges agreed with funding bodies as part of the respective funding bids.

In order to protect the charitable company from any unforeseen adverse movements in income or expenses, the Trustees have designated a sum of £542,000 of the free reserves of the charitable company as a strategic reserve.

Notes (continued)

Reconciliation of movements in funds (continued)

In 2014/15, the Trustees designated a sum of £360,000 to be used to improve the infrastructure of Football League clubs community trusts, under which each of the 72 trusts is able to apply for a maximum of £5,000 in grant funding against goods or services which will help them improve their ability to deliver effective community programmes. A total of £216,573 has been paid to 45 club trusts from this fund to date.

The Trustees will consider the best use of the remaining unrestricted funds over the course of the coming 12 months.

**14. Reconciliation of changes in resources to net cash outflow from operating activities**

<i>Group</i>	2016 £	2015 £
Net incoming resources	471,229	511,440
Investment Income	(11,661)	(11,593)
Depreciation	18,078	12,493
Decrease/(increase) in debtors	(835,659)	274,718
Increase in creditors and deferred income	106,585	154,974
	<hr/>	<hr/>
Net cash (outflow) / inflow from operating activities	(251,428)	942,032
	<hr/>	<hr/>

**15. Analysis of cash flows for headings in the cash flow statement**

	2016 £	2015 £
Cash inflow from returns on investments and servicing of finance		
Interest receivable and other similar income	11,661	11,593
	<hr/>	<hr/>
Cash outflow from capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(19,480)	(13,358)
	<hr/>	<hr/>

Notes (continued)

## 16. Related party transactions

By the charitable company's nature The Football League (Community) Limited may enter into a number of transactions in the normal course of its operations with the Football Association, the FA Premier League Limited and the Professional Footballers' Association.

Voluntary income includes £2,400,000 which was received directly from the Professional Footballers' Association and has been paid out in the year or was transferred to general reserves as agreed management charges. The balance at the end of the year was £Nil (2015: £Nil)

The Football League (Community) Ltd, incurred £Nil (2015: *£nil*) of expenses on behalf of the Football League Trust Limited (who is the only member of the company) during the year. At the year end £Nil was owed to the Football League Trust Ltd (2015: *£nil* was due from Football League Trust Ltd).

At the year end, FLT Community Trading Limited owed £68,514 to the Football League Community Limited (2015: £62,426).

During the year, the Football League Limited, (the ultimate parent of the company) and the Football League (Community) Limited entered into a number of transactions in the normal course of business. At the year end the Football League (Community) Limited owed the Football League Limited £36,317 (2015: £50,576).

In addition, the Football League Limited donated goods and services to the charitable company on a free of charge basis to a value of approximately £110,000 (2015 estimated at £110,000). In compliance with the requirements of FRS102, this amount has been added to income and expenditure in the 2016 statement of financial activities and the comparative figures for 2015.

## 17. Ultimate parent company and controlling party

The Company is a subsidiary undertaking of The Football League Limited which is the ultimate parent company.

The largest group in which the results of the Company are consolidated is that headed by Football League (Community) Limited. No other group financial statements include the results of the Company. The consolidated financial statements of these groups are not available to the public.