



## The Football League (Community) Limited Trustees' Report and Financial Statements

Registered number 6469948  
Charity registered number 1132689  
30 June 2017

**The Football League (Community) Limited**  
**Trustees' report and financial statements**  
**30 June 2017**

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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 2017. The financial statements are prepared in accordance with the Charities Statement of Recommended Practice 2016 (FRS 102) and applicable accounting standards.

## Director of Operations' report

Early in 2018, the company, which trades as "EFL Trust" ("EFLT"), will complete 10 years of charitable activities, a milestone we will be looking to celebrate with a number of events to shine a light on the outstanding work of our football clubs in their local communities.

We have been on an incredible journey over those ten years, and are extremely proud to have brought a huge variety of life changing projects to fruition. Programmes such as Every Player Counts, National Citizen Service, Move & Learn and the Education & Futsal programme have given opportunities to countless young people to develop and reach their potential, often in disadvantaged communities.

Our growth over the past ten years has been remarkable. Turnover has grown from £4m to £18m, our distributions from £2m to £17m, and our staff from 7 employees to 36, as we evolve to match the needs of the marketplace and strive to constantly improve our service to our delivery network and our funding partners.

None of this would have been possible without our delivery network of football club community organisations. Each of the 72 English Football League ("EFL") clubs, through their charitable trusts, continue to push boundaries in the breadth and depth of their delivery, and provide cost effective solutions to national and local government around a huge range of policy areas, especially in Education, Health, Community Engagement and Sports Participation.

We are delighted that some of our more recent initiatives have helped our club trusts to break new ground. Our degree programme (delivered in conjunction with the University of South Wales) goes from strength to strength, and many clubs are now delivering traineeships to help young people take their first steps into the world of work. Our work with the over 50's is also gathering serious momentum as we look to use sport to engage all ages in healthier lifestyles.

These new initiatives have helped our network grow to employ over 2,000 people and attract over £60m of funding, another pair of remarkable statistics for organisations that are themselves broadly only 10 years old.

Building on this, our mission is to 'create an environment in which our club community organisation can thrive' and this challenges us as an organisation to ensure that we are doing everything within our power to ensure the achievements of our clubs is recognised at the highest levels across all of our stakeholders.

In addition, we have challenged ourselves as an organisation to ensure that our transparency and governance is the best in our sector, so that we can set an example of best practise to our network and other organisations with which we engage.

We identify in the following report how we intend to go about these tasks, but we need firstly to acknowledge that none of this growth and development would be possible without the incredible passion and professionalism of our staff. We have restructured our Senior Management Team this year to ensure we have an organisation capable of delivering our ambitious targets, and I am confident that we are well placed to do that over the coming year.

Mike Evans

August 2017

Trustees' report (*continued*)

**Who are we?**

**Trustees**

J Nixon	EFL
DG Kerr	EFL
A Williamson OBE	EFL
G Taylor OBE	Professional Footballers Association
NJ Perchard	FA Premier League
K Simmons MBE	Football Association
M Brannigan	Independant
M Farrar	Independant
CEJ Hill	Independant
K Reed	Independant

**Secretary**

T S Detko

**Director of Operations**

Mike Evans

**Registered office**

EFL House  
10-12 West Cliff  
Preston  
PR1 8HU

**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 (the "Company"), operating under the name "EFL Trust", is the official charity and community arm of the Football League Ltd ("EFL"). 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 operates 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 a number of independent trustees. Trustees are recruited on the basis of their experience, knowledge and expertise. The Board currently consists of ten 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.

During the year, a Head of Governance & Quality was recruited to assist both ourselves and our club trusts in the transition to best practice. Good progress has been made in this area during the year, but much remains to be done. EFL Trust and our shareholder, the English Football League are discussing the changes we need to make in our governance and our Capability process, and governance workshops are helping our club trusts to identify and action the changes they need to make.

### 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. During the year, the senior management team was restructured to deliver the new strategic plan and improve the support we give to our trusts. Specialist Education, Sport & Health, Community Engagement and Governance Heads of Department are now in place to obtain funding for new projects and to ensure we deliver good quality, effective programmes for our funders.

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.

## Trustees' report (continued)

### What do we do?

#### Objectives

The charity's objectives continue to be:

- *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;*

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, in planning future activities and in 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.

In order to qualify for funding, EFL club trusts must take part in an annual Capability Status process to ensure that they are fit for purpose and can deliver high quality programmes. Assessment of Capability Status is a key function of EFL Trust and we continue to use the process to improve governance and standards across the network. The process changes each year based on experience, the changing legal and social landscape, and the perceived needs of the group.

Once clubs have undergone the Capability process, funding is awarded on a case by case basis for projects which are designed to meet the requirements of our objectives 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, and other third sector organisations that bring specific skill sets or geographical coverage that the EFL club trusts cannot provide.

#### Activities

Our activities, in line with our objects, are based around four core themes: Sport, Health, Education and Community Engagement. Using Sport, particularly football and the unique engagement factor of our EFL football clubs, we seek to encourage people of all ages, abilities, genders, ethnicity and sexual orientation to develop as individuals and, in doing so, help to reduce inequalities in communities across England and Wales. Below are descriptions of our main programmes, how the programmes fit together and some indications of the qualitative effects of the programmes on participants.

Trustees' report (continued)

**Activities**

Typical Age range	Level	Programme
9-13 15-16 All ages All ages Over 50	Engagement	Kinder + Sports National Citizen Service Every Player Counts Female Fitness and Exercise Walking Football
17-18	1,2	Traineeships Futsal BTEC First Diploma in Sport
17-18	3	Futsal BTEC National Diploma in Sport
18+	4	University of South Wales Foundation Degree in Community Football Coaching & Development
18+	5	University of South Wales BSc Degree Open University BA in Business Management (Sport & Football)

**Kinder+ Sport Move and Learn**

The 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 children over a six week period and promotes a good understanding of nutrition, health and well-being.

*"The Kinder+ Sport Move and Learn project has had huge benefits for our school and pupils, educating them on nutrition and an active lifestyle. It's great that the kids have enjoyed the physical activity which is so important at that age"*

Mr. Jones, Derby

**Kinder+ Girls and Kids Cups**

The Kids Cup is a six-a-side football competition for schoolchildren under 11, culminating in 3 finals across the Sky Bet play-off finals weekends in May.

The Girls Cup is a football competition for girls under 13 which culminates in a final before the EFL Trophy final in March.

*"The pitch is like a carpet and some professional footballers don't even get to play here. I wasn't expecting to do this in my lifetime, it's just epic"*

Robbie, Carlisle

**National Citizen Service**

The NCS scheme is a major government initiative which helps 15 to 17 year olds with their transition into adulthood. The programme enables young people to broaden their horizons, learn skills for life, and make a real difference in their local community. Over 30,000 young people have now taken part in NCS with the EFL trust network.

*"I left a scared child that had suffered from anxiety for years. 5 days later you gave me back a confident young woman"*

Wendy, Parent

Trustees' report (continued)

**WNST Every Player Counts**

Funded by the Wembley National Stadium Trust, EFL Club Community Trusts deliver activities covering a wide range of disability programmes including football for participants with visual impairments, learning difficulties, amputees, autism and wheelchair users, giving thousands of disabled people access to football for the first time.

*"When I lost the ability to walk, I never thought I'd be able to play sport again, let alone football. It's had a massive positive impact for me and it's taught me that, in all aspects of life, if you put your mind to it you, you can do whatever you want"*

Matt, Brighton

**GLE Female Fitness & Exercise**

The Greater London Authority is working in partnership with EFLT to encourage inactive women in London to take part in activities to improve their fitness levels. The quotation below refers to a 15 year old Black British female from the Royal Borough of Greenwich with some learning and behavioural difficulties, who took part in dance classes.

*"She has gone from strength to strength during the 12 weeks. The dance artist (session leader) has successfully improved her confidence by including her choreography in the piece and supporting her through the process of creating, refining and performing."*

**Walking Football**

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. 78% of participants say walking football has increased their level of exercise, and 84% say walking football has increased their circle of friends.

*"I retired 6 years ago and started piling on the weight. Then I tried walking football. I've lost 2 stone and feel much healthier."*

Les, Blackpool

**Traineeship Programme**

A pilot Traineeship programme was launched in 2015/16 offering 16-18 year olds not sure of their next step an opportunity to gain work experience in a professional football environment. Over 300 students have completed the programme since 2016 and 88% of these have achieved positive outcomes (employment, education or apprenticeship), compared to the national average of 80%.

*"I was practically doing nothing, I was doomed basically. Then I got on a free placement with Millwall. I've got goals now, I know what I want to do with my life"*

Scott, Millwall

rustees' report (continued)

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

Our Futsal programme specialises in taking young people who love sport but aren't motivated by the classroom environment and offers them a different way to learn and progress their career.

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. It 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. 114 Futsal teams played in EFLT league and cup competitions in 2016/17 as part of students' enhancement activities.

*"If you said to the 15 year old me that I'd end up going to university, he would have laughed at you. Yet only a few years later I'm studying at a top university and I've represented my country."*

Joe Kenny, England Futsal International, Leeds

### ***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. Students are based at their home club and attend residential courses at USW.

In 2016/17, the first cohort of 42 students took an additional "top-up" programme leading to a full BSc honours degree which focusses on the football and business knowledge needed to develop professionals for the football industry. Five of these students gained first class honours degrees.

*"I have benefited greatly from the unique blended learning elements of the course where I have been able to put into practice the content of lectures in a "real" working environment"*

Mark, Bristol City

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

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

Trustees' report (continued)

**How did we perform?**

*"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	Target participants, activities and outcomes	Participant Numbers 2016	Participant numbers 2017
National Citizen Service	Personal development and vocational training for young people aged 15 to 17.	9,429	9,714
Traineeships	Work experience in a professional football environment for 16-18 year olds.	-	281
Education & Futsal	Alternative options for young people aged 16 to 18 to obtain a BTEC extended diploma.	1,349	1,094
USW Foundation degree in football coaching and development.	Opportunities for young people over 18 to continue into higher education, based at their home football club.	270	309
Open University BA (Hons) Business Management.	Opportunities for students over 18 to study for a degree using football industry related case studies.	99	110
FA Female Football Development	Fitness & participation for women & girls of all ages	16,099	Project completed
GLA Female Fitness & Exercise	A fitness programme targeting inactive women in London.	-	1,905
Walking Football	Fitness and participation for the over 50's	1,188	1,466
WNST Every Player Counts	Providing opportunities for the disabled to play football.	-	3,306
Kinder+ Move & Learn	Promoting an understanding of a healthy lifestyle to year 5 pupils.	27,128	38,039
Kinder+ Kids & Girls Cups	Children's football offering the opportunity to play at Wembley before a major EFL final.	Kids Cup Girls Cup	16,856 5,584

Trustees' report (*continued*)

**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	16/17	15/16	14/15	13/14	12/13
Charitable income	17,280	17,445	16,983	13,486	8,858
Expenditure on charitable activities	16,753	17,054	16,535	13,158	8,735
Net increase in funds	607	471	511	356	205

A disappointing end to the year meant that our Company charitable income didn't quite match that of 2015/16, with the consequent reduction in charitable donations. Once again, the NCS programme provided the majority of our income, but we experienced a significant slow-down in income from NCS in the last quarter of the year, mainly in payment by results payments which are based on the numbers of young people we have been able to take on our programmes. We believe that the majority of this income will be paid to us in 2017/18, but we have not included this in our declared revenue pending agreement of the relevant numbers.

However, our other programmes performed well, showing an overall 10% increase in revenue over 2015/16, and a significant increase in income at our trading subsidiary, FLT Community Trading Ltd, meant that group income and distributions showed an increase over last year.

The charitable company and group have thus made a surplus of income over expenditure in the year of £734,699 (2016: surplus of £683,163), which has been added to unrestricted reserves.

The Trustees have decided to utilise some of these reserves by increasing the level of our strategic reserve (held as Designated Funds) from £542,000 to £629,300 and transferring a further sum of £730,000 into Designated Reserves to provide funds to improve and expand our range of programmes. These new programmes are expected to start in 2017/18 and so no expenditure has yet been incurred. Expenditure of £127,236 was incurred from our existing Designated Reserves, set aside to provide funds to help our club trusts improve their infrastructure, and this programme has now been closed as club trusts have now claimed their funding. The remaining balance of £17,066 has been transferred back into free reserves. The net increase in our overall reserves was thus £607,463.

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) and the analysis of our income in note 2. 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. This year we have added Wembley National Stadium Trust and their "Every Player Counts" programme to our funders and we are confident that we can add further new funders and programmes in 2017/18 and beyond.

## Trustees' report *(continued)*

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

Following an extensive strategic review, the EFL trust identified six core objectives on which to focus its work, with an overall mission to create an environment in which our network of club community organisations (CCOs) can thrive.

#### **Stakeholder relationships**

One of the key ways in which the EFL Trust can add value to its network of CCO's is by representing their interests and promoting their work on a national platform. In consulting with its network, this area of work was seen as the most important area by CCO's. We have therefore restructured our business to ensure we have experts in each of our key themes, Sport, Health, Education and Community Engagement, and this has significantly increased our capacity to network with current and potential partners.

This includes partners within the football family, (EFL, The FA Premier League, the PFA and the FA) government departments (Education, Business, DCMS and the Home Office), Commercial partners and other third sector organisations.

#### **Organisational development**

During the year, we recruited a Head of Governance and Quality and significant progress has been made in this area. We have set-up a governance working group to ensure that we comply with the UK Sport Code of Governance, where it is right for our organisation, and also use it to set our own parameters and standards for governance for ourselves and our network. We aspire to being a beacon of best practice in terms of governance and to be an organisation that our network can look up to and try to emulate in their own governance practices. This is an ongoing process of continuous improvement.

We have also examined our Board composition in terms of the relative numbers of independent, representative and ex-officio members and devised a new model which provides the balance for us to maintain strong links with key stakeholder organisations while maintaining the appropriate objective challenge. Below this, we have put in place a plan to formalise the committee structure and incorporate representatives of our network of club trusts to ensure we maintain, and build on, that vital link.

#### **Business development**

We have noted on a number of occasions our reliance on the NCS scheme and so we have recruited a Head of Sport & Health to help broaden the range of projects we are able to offer our network. We look forward to the impact this appointment will have on our business in 2017/18 and beyond.

#### **Marketing & promotion**

We have also appointed a new Head of Marketing & Communications to join the team in October 2017. This appointment will increase capacity in this area to ensure that the great work of the network is reaches as wide an audience as possible and strengthen the partnership between EFL and EFL Trust.

#### **Programme delivery and Insight and impact**

During the year, we have recruited a Compliance and Audit Manager to ensure that we maintain and improve our performance. A key driver of this decision was the chance to strengthen the process of our programme delivery and the measurement of its outputs. We believe that this will give us more data to improve our insight into the effect our programmes have on local communities. This is a fundamental part of retaining existing funders and attracting new ones and so can have a significant impact on our business development. Our new Head of Marketing and Communications will be overseeing these important areas, including the introduction of a new CRM system to help with this task.

## 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.

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.

In assessing our commercial risks, we recognise that the Company is reliant on the generosity of organisations in donating funds to enable it to continue its work and so it is important to acknowledge the continued support of our long term partners the Professional Footballers Association, the FA Premier League and the English Football League, the continuing relationships we have with the University of South Wales and Ferrero Kinder+, and the start of our relationship with Wembley National Stadium Trust.

If we look at our main sources of revenue this year, how long each programme has been running and how far ahead we have visibility of the revenue, we can obtain a measure of our risk in this area.

Funder	Since	Visibility
Professional Footballers Association	2008	subject to review in 2019
National Citizen Service	2011	subject to retender from summer 2018
Futsal B Tech	2011	ongoing annual recruitment for a two year
University of South Wales	2013	ongoing recruitment for a 2 or 3 year course
Ferrero Kinder+	2014	ongoing
Wembley National Stadium Trust	2016	ongoing

From the above, it can be seen that there is an element of stability in the revenue stream which gives comfort for the Company for the short and medium term. In addition, the current National Citizen Service programme is likely to be extended for a further year, to summer 2019, prior to a new tender process for delivery commencing in 2019.

However, as noted in previous years, we recognise that the NCS scheme forms a large portion of our revenue and so, during the year, we recruited a Sport and Health Manager to pursue funding opportunities in these areas and we continue to invest significant funds in marketing to ensure our brand and activities are known to potential new funders.

### 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 £2,296,843 (2016: £1,689,380). The free reserves of the charity are considered to be the unrestricted funds less the fixed assets held which in the current year is £2,277,588 (2016: £1,671,724). The outgoing resources for the year ended 30 June 2017 amounted to £16,753,247 (2016: £17,053,727).

Given the potential variation in donations and the associated difficulty in establishing an accurate ideal reserves figure, a strategic reserve figure of £629,300 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, further sums have been transferred to Designated Funds for specific projects in line with the charities objectives.

## Trustees' report (continued)

### Reserves policy (continued)

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 in line with the charitable objectives noted earlier.

### 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  
J Nixon  
M Farrar  
DG Kerr  
CEJ Hill  
PD Ackerley  
NJ Perchard  
K Reed  
K Simmons MBE (appointed 6th March 2017)  
A Williamson OBE (appointed 12th September 2016)

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

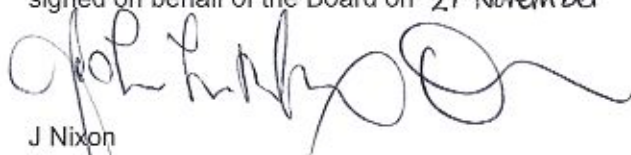
The Trustees who held office at the date of approval of this Trustees' report confirm that:

- 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 27 November 2017.



J Nixon  
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.



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

### **Opinion**

We have audited the financial statements of The Football League (Community) Limited ("the charitable company") for the year ended 30 June 2017 set out on pages 18 to 30.

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 2017 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 accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

### **Other information**

The directors are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Annual Report, which constitutes the strategic report and the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 we are required 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

We have nothing to report in these respects.



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

### **Trustees' responsibilities**

As explained more fully in their statement set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the group's and the 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 they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.

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

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**Consolidated statement of financial activities (incorporating the income and expenditure account)  
for the year ended 30 June 2017**

	Note	Unrestricted funds	Designated funds	Restricted funds	Total 2017	Total 2016
		£	£	£	£	£
Income from:						
Donations	2	2,952,473	-	-	2,952,473	2,517,534
Charitable activities	2	-	-	14,327,635	14,327,635	14,927,247
Other trading activities	3	779,078	-	-	779,078	442,000
Investments	4	7,619	-	-	7,619	11,661
<b>Total income</b>		<b>3,739,170</b>	<b>-</b>	<b>14,327,635</b>	<b>18,066,805</b>	<b>17,898,442</b>
Expenditure on:						
Raising funds	3	(706,095)	-	-	(706,095)	(373,486)
Charitable activities	5	(4,704,550)	(127,236)	(11,921,461)	(16,753,247)	(17,053,727)
<b>Total expenditure</b>	<b>5</b>	<b>(5,410,645)</b>	<b>(127,236)</b>	<b>(11,921,461)</b>	<b>(17,459,342)</b>	<b>(17,427,213)</b>
<b>Net income/(expenditure)</b>		<b>(1,671,475)</b>	<b>(127,236)</b>	<b>2,406,174</b>	<b>607,463</b>	<b>471,229</b>
Transfers between funds	12	1,605,940	800,234	(2,406,174)	-	-
<b>Net movement in funds</b>		<b>(65,535)</b>	<b>672,998</b>	<b>-</b>	<b>607,463</b>	<b>471,229</b>
Reconciliation of funds:						
Total funds brought forward		999,313	690,067	-	1,689,380	1,218,151
<b>Total funds carried forward</b>		<b>933,778</b>	<b>1,363,065</b>	<b>-</b>	<b>2,296,843</b>	<b>1,689,380</b>

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 21 to 30 form an integral part of these financial statements.

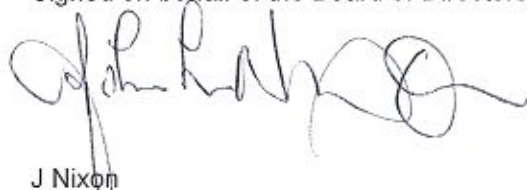
**Balance sheet as at 30 June 2017**

	Notes	Group		Charitable company	
		2017	2016	2017	2016
		£	£	£	£
Fixed assets					
Tangible fixed assets	7	19,255	22,076	15,169	17,655
Investments	8	-	-	1	1
Current assets					
Debtors	9	993,669	1,271,384	1,066,652	1,336,738
Cash at bank and in hand		5,129,249	4,167,562	4,938,100	3,967,705
		6,122,918	5,438,946	6,004,752	5,304,443
Creditors: amounts falling due within one year	10	(3,845,330)	(3,771,642)	(3,723,079)	(3,632,719)
Net current assets		2,277,588	1,667,304	2,281,673	1,671,724
Net assets		2,296,843	1,689,380	2,296,843	1,689,380
Funds					
Unrestricted funds		933,778	999,313	933,778	999,313
Designated funds		1,363,065	690,067	1,363,065	690,067
	12	2,296,843	1,689,380	2,296,843	1,689,380

The notes on pages 21 to 30 form an integral part of these financial statements.

These financial statements were approved by the Board of trustees on **27 November** 2017

Signed on behalf of the Board of Directors



J Nixon  
Trustee

Company registration number 6469948

Charity registration number 1132689

**Consolidated cash flow statement for the year ended 30 June 2017**

	<i>Note</i>	2017 £	2016 £
Net cash inflow/ (outflow) from operating activities	13	966,889	(251,428)
Returns on investments and servicing of finance	14	7,619	11,661
Capital expenditure and financial investment	14	(12,821)	(19,480)
		<hr/>	<hr/>
Cash inflow/(outflow) before use of liquid resources and financing		961,687	(259,247)
Financing		-	-
		<hr/>	<hr/>
Increase / (decrease) in cash in the year		961,687	(259,247)
		<hr/>	<hr/>
		2017 £	2016 £
Reconciliation of net cash flow to movement in net funds			
Increase / (decrease) in cash in the year		961,687	(259,247)
Cash at bank and in hand:			
At 1 July 2016		4,167,562	4,426,809
		<hr/>	<hr/>
At 30 June 2017		5,129,249	4,167,562
		<hr/>	<hr/>

The notes on pages 21 to 30 form an integral part of these financial statements.

## Notes to the accounts for the year ended 30 June 2017

### 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 Generally Accepted Accounting Practice**

In applying the accounting policies required by FRS102 and the Charities SORP, a sum of £125,183 of "in kind" support by EFL has been added to both income and expenditure in the 2017 figures and £110,000 in the 2016 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 3 to 14. 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 interest receivable from 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

Group	Unrestricted funds	Restricted funds	2017	2016
	£	£	£	£
Professional Footballers' Association	2,800,000		2,800,000	2,400,000
National Citizen Service		12,151,478	12,151,478	12,932,675
University of South Wales		871,293	871,293	787,250
Wembley National Stadium Trust		718,126	718,126	-
FA Female football development		-	-	602,000
Futsal		440,654	440,654	485,418
Open University		31,885	31,885	52,256
GLE		58,000	58,000	-
Other	27,290	56,199	83,489	75,182
English Football League donation "in kind"	125,183	-	125,183	110,000
	<u>2,952,473</u>	<u>14,327,635</u>	<u>17,280,108</u>	<u>17,444,781</u>

Notes (continued)

Income from Donations and Charitable Activities (continued)

Unrestricted funds in 2016 were received from the Professional Footballers Association (£2,400,000 (2015: £2,400,000)), the Football League Ltd (£110,000 "in kind" donations of goods and services (2015: £110,000)), and a number of other miscellaneous sources amounting to £7,534 (2015: £12,162). All other income in 2016 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 2017 are filed with the Registrar of Companies. A Gift Aid donation of the taxable profit of £72,983 (2016: £68,514) was made to The Football League (Community) Limited.

	2017 £	2016 £
Turnover	779,078	442,000
Cost of sales	(679,788)	(341,867)
Gross profit	99,290	100,133
Administrative expenses	(26,307)	(31,619)
Operating profit	72,983	68,514
Gift aid donation to The Football League (Community) Limited	(72,983)	(68,514)
Retained profit for the year	-	-

The aggregate of the assets, liabilities and funds was:

	2017 £	2016 £
Assets	195,235	207,437
Liabilities	(195,234)	(207,436)
Funds	1	1

**4. Investment income**

	2017 £	2016 £
Bank interest receivable	7,619	11,661

Notes (continued)

**5. Resources expended**

<i>Group</i>	2017 £	2016 £
(i) Analysis of total resources expended		
Staff costs	1,297,528	1,135,975
Support costs	660,176	546,641
Other direct costs	14,795,543	15,371,111
	<u>16,753,247</u>	<u>17,053,727</u>
	£	£
(ii) Analysis of support costs		
Telephone, postage, stationery and printing	34,208	79,262
Employee medical costs	5,151	9,085
Motor, meeting and travel costs	261,100	252,435
Staff training and advertising	29,637	27,309
Subscriptions and printing	5,222	1,947
Marketing	105,788	50,054
Legal & professional costs	89,382	85,156
Depreciation and financial costs	11,880	4,603
Computer system support	40,305	31,530
Rent, rates, light, heat & cleaning costs	71,183	-
Audit fees	6,320	5,260
	<u>660,176</u>	<u>546,641</u>
(iii) Analysis of other direct costs		
	£	£
Donations to schemes	14,786,543	15,370,390
Other costs	9,000	721
	<u>14,795,543</u>	<u>15,371,111</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.

Rent, rates, light, heat and cleaning costs arise this year due to the move to new premises and subsequent revised "in kind" charges and equivalent donations from the EFL.

Notes (continued)

**6. Staff numbers and costs**

<i>Group</i>	2017 £	2016 £
Employee costs during the year amounted to:		
Wages and salaries	1,089,102	960,605
Social security costs	118,438	101,391
Other pension costs	89,988	73,979
	<u>1,297,528</u>	<u>1,135,975</u>
	<u><u>1,297,528</u></u>	<u><u>1,135,975</u></u>
 Average monthly number of persons employed by the Company during the period excluding directors:	 34	 33
	<u><u>34</u></u>	<u><u>33</u></u>

None of the trustees received any remuneration in respect of their services as directors of the Company (2016: £nil). Three trustees received a total of £1,356 expenses in the year (2016: £1,097).

Total contributions to the defined contribution scheme amounted to £89,988 (2016: £73,979). Payments of £Nil were outstanding at 30 June 2017 (2016: £nil).

There was one employee paid between £80,000 and £90,000 in the period. (2016: 1 between £80,000 and £90,000). No other employees were paid more than £60,000 (2016: None)

**7. Tangible fixed assets**

<i>Group</i>	Computer Hardware & Fittings £	Computer Software £	Total £
<i>Cost</i>			
At 1 July 2016	44,393	24,114	68,507
Additions	8,931	3,890	12,821
	<u>53,324</u>	<u>28,004</u>	<u>81,328</u>
At 30 June 2017	<u><u>53,324</u></u>	<u><u>28,004</u></u>	<u><u>81,328</u></u>
<i>Depreciation</i>			
At 1 July 2016	(26,738)	(19,693)	(46,431)
Charge in year	(11,417)	(4,225)	(15,642)
	<u>(38,155)</u>	<u>(23,918)</u>	<u>(62,073)</u>
At 30 June 2017	<u><u>(38,155)</u></u>	<u><u>(23,918)</u></u>	<u><u>(62,073)</u></u>
<i>Net book value</i>			
At 30 June 2017	15,169	4,086	19,255
	<u><u>15,169</u></u>	<u><u>4,086</u></u>	<u><u>19,255</u></u>
At 30 June 2016	<u><u>17,655</u></u>	<u><u>4,421</u></u>	<u><u>22,076</u></u>

Notes (continued)

7. Tangible fixed assets (continued)

Charitable company

	Computer Hardware & Fittings £
Cost	
At 1 July 2016	44,393
Additions	8,931
	<hr/>
At 30 June 2017	53,324
	<hr/>
Depreciation	
At 1 July 2016	(26,738)
Charge in year	(11,417)
	<hr/>
At 30 June 2017	(38,155)
	<hr/>
Net book value	
At 30 June 2017	15,169
	<hr/>
At 30 June 2016	17,655
	<hr/>

8. Investments

Group and charitable company

	Shares in subsidiary	
	2017	2016
	£	£
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 commercial partners which were distributed to community schemes on the partners' 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	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	910,286	1,002,506	910,286	999,346
Other debtors	18,000	19,000	18,000	19,000
Amount due from intercompany debtors	-	-	72,983	68,514
Prepayments and accrued income	65,383	249,878	65,383	249,878
	<u>993,669</u>	<u>1,271,384</u>	<u>1,066,652</u>	<u>1,336,738</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	
	2017	2016	2017	2016
	£	£	£	£
Trade creditors	21,509	84,812	20,939	84,812
Other creditors	-	1,173	-	-
Accruals and deferred income	3,713,504	3,649,340	3,592,731	3,511,590
Amount due to intercompany creditors	101,227	36,317	101,227	36,317
Social security and other taxes	9,090	-	8,182	-
	<u>3,845,330</u>	<u>3,771,642</u>	<u>3,723,079</u>	<u>3,632,719</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.

Notes (continued)

**11. Analysis of net assets between funds**

<i>Group</i>	Unrestricted funds	Designated funds	Restricted funds	Total funds 2017	Total funds 2016
	£	£	£	£	£
<i>Fund balances at 30 June 2017 represented by:</i>					
Fixed assets	19,255	-	-	19,255	22,076
Current assets	1,871,219	1,363,065	2,888,634	6,122,918	5,438,946
Current liabilities	(956,696)	-	(2,888,634)	(3,845,330)	(3,771,642)
	<u>933,778</u>	<u>1,363,065</u>	<u>-</u>	<u>2,296,843</u>	<u>1,689,380</u>
<i>Charitable company</i>	Unrestricted funds	Designated funds	Restricted funds	Total funds 2017	Total funds 2016
	£	£	£	£	£
<i>Fund balances at 30 June 2017 represented by:</i>					
Fixed assets	15,170	-	-	15,170	17,656
Current assets	1,871,826	1,363,065	2,769,861	6,004,752	5,304,443
Current liabilities	(953,218)	-	(2,769,861)	(3,723,079)	(3,632,719)
	<u>933,778</u>	<u>1,363,065</u>	<u>-</u>	<u>2,296,843</u>	<u>1,689,380</u>

**12. Reconciliation of movements in funds**

<i>Group</i>	At 1 July 2016	Incoming Resources	Outgoing resources	Transfers	At 30 June 2017
<b>Restricted funds</b>					
Total restricted funds	-	14,327,635	(12,700,539)	(1,627,096)	-
<b>Designated funds</b>					
Infrastructure grants	148,067	-	(127,236)	(17,066)	3,765
Strategic reserve	542,000	-	-	87,300	629,300
New designated funds	-	-	-	730,000	730,000
Total designated funds	<u>690,067</u>	<u>-</u>	<u>(127,236)</u>	<u>800,234</u>	<u>1,363,065</u>
<b>General funds</b>					
Total general funds	<u>999,313</u>	<u>3,739,170</u>	<u>(4,631,567)</u>	<u>826,862</u>	<u>933,778</u>
<b>Total Funds</b>	<u>1,689,380</u>	<u>18,066,805</u>	<u>(17,459,342)</u>	<u>-</u>	<u>2,296,843</u>

Notes (continued)

12. Reconciliation of movements in funds (continued)

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 £2,406,174 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 £629,300 of the free reserves of the charitable company as a strategic reserve, being between 3 and 6 months expenses, based on an assessment of the likely reorganisation costs involved in closing down individual projects.

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 was able to apply for a maximum of £5,000 in grant funding against goods or services to help them improve their ability to deliver effective community programmes. A total of £339,169 has been paid to club trusts from this fund to date and a further £3,765 is outstanding to be paid. The remaining balance of £17,066 has been transferred back to free reserves on completion of the project.

During the year, the Trustees approved four new projects and transferred a total of £730,000 to Designated Reserves to cover the expected costs of these projects. No expenditure has yet been incurred.

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

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

Group	2017 £	2016 £
Net incoming resources	607,463	471,229
Investment Income	(7,619)	(11,661)
Depreciation	15,642	18,078
Decrease/(increase) in debtors	277,715	(835,659)
Increase in creditors and deferred income	73,688	106,585
Net cash inflow / (outflow) from operating activities	966,889	(251,428)

14. Analysis of cash flows for headings in the cash flow statement

	2017 £	2016 £
Cash inflow from returns on investments and servicing of finance		
Interest receivable and other similar income	7,619	11,661
Cash outflow from capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(12,821)	(19,480)

Notes (continued)

**15. 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.

**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 £2,800,000 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 due at the end of the year was £nil (2016: £nil)

At the year end, FLT Community Trading Limited owed £72,983 to the Football League Community Limited (2016: £68,514).

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, totalling £313,779 (2016: £669,792). At the year end the Football League (Community) Limited owed the Football League Limited £101,227 (2016: £36,317).

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 £125,183 (2016: £110,000). In compliance with the requirements of FRS102, these amounts have been added to income and expenditure in the appropriate years.

**17. Ultimate parent company and controlling party**

The Football League (Community) Limited is a wholly owned charitable subsidiary of The Football League Trust Limited and is registered in England and Wales and incorporated in Great Britain.

The Football League Trust Limited is, in turn, a wholly owned subsidiary of The Football League Limited.

The Football League (Community) Limited is excluded from consolidation on the grounds that The Football League (Community) Limited and The Football League Limited do not meet the criteria for a parent and subsidiary undertaking relationship to exist.

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 the Group are available to the public from Companies House, Crown Way, Cardiff, CF14 3UZ.