

THE NATIONAL FOOTBALL MUSEUM

Company Registration No. 03070670 (England and Wales)

Registered Charity No. 1050792

**The National Football Museum**

Annual Report and Consolidated Financial Statements for

the Year Ended 31 March 2021

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**COMPANY INFORMATION YEAR ENDED 31 MARCH 2021**

<b>Chairman</b>	Mr I R Penrose
<b>Trustees</b>	Mr F A Ali – resigned 25 June 2021 Mr S Barker Ms J E Bateman – appointed 29 October 2020 Professor S J Broomhead MBE – resigned 12 May 2021 Ms M J Digby – resigned 22 June 2021 Mr N C Fairlamb Mr C A J Memmott OBE Mr D J Moutrey – appointed 19 February 2021 Mr N J Paske – resigned 9 April 2021 Mr I R Penrose Cllr L Rahman OBE Ms M H Stevenson
<b>Secretary</b>	Mr DJ Martland
<b>Registered office</b>	Urbis Building Cathedral Gardens Manchester M4 3BG
<b>Company number</b>	03070670
<b>Charity number</b>	1050792
<b>Auditor</b>	KPMG LLP 1 St Peter's Square Manchester M2 3AE
<b>Solicitor</b>	Brabners Chaffe Street 7-8 Chapel Street Preston PR1 8AN

## **TRUSTEES' REPORT (INCLUDING THE STRATEGIC REPORT) YEAR ENDED 31 MARCH 2021**

The Trustees, who are also Directors for the purpose of the Companies Act, have pleasure in presenting their annual report and the financial statements of the charity for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

### **Legal Status**

The National Football Museum (the Museum or NFM) is a charitable company limited by guarantee with registered charity number 1050792 and company number 03070670. Not having a share capital, the Museum is governed by its Memorandum and Articles of Association dated April 2018. The registered office is Urbis Building, Cathedral Gardens, Manchester, M4 3BG.

### **Current Position**

The purpose of the 2021-24 strategic plan is to direct the development of the National Football Museum (NFM) over the next three years, providing the framework to enable investment of the resources needed to achieve the organisation's strategic vision which is:

To be a leading national museum (with one million visitors\* per year by 2024) exploring why football is the game of our lives.

\*including virtual visitors through web and social media

### **What are we trying to achieve as a charity?**

To engage and entertain our visitors by providing cultural opportunities for them to share stories about football and explore the 'game of our lives'.

### **What kind of charity do we want to be?**

A truly national museum that is recognised as a national and international authority on football heritage as well as a world class visitor attraction for the public and the local community.

### **What do we want to do for our visitors?**

We want to create activities, events and exhibitions and provide access to our collections.

Our strategy has been developed within the context of the environment and sectors the NFM works in located in the city of Manchester and within the sectors of heritage, arts and football. As part of this we have looked at possible changes that may take place within the life of the strategic plan such as a more diverse population and a need to source funding beyond our grant from Manchester City Council.

As part of the environmental review we have also looked at our peer organisations and competitors to see what we can learn and make sure that there is no duplication of activity and to look at potential ways of collaboration.

A key observation was the large investment in Football in the Community which has led to us focusing our resources on curating the role that football plays in the community and centring our community-based work inside the museum with an emphasis on creative engagement.

## THE NATIONAL FOOTBALL MUSEUM

Moving from an understanding of the external environment the NFM works in, we have as part of this plan carried out an internal analysis identifying our strengths, weaknesses, opportunities, and threats. This has led to us recognising our unique selling points and what sets us apart from our competitors.

Simply put we are a multifaceted charity that uses football's on-going heritage as a reference point for public and community engagement and our biggest assets are our collection of archives and artefacts, including the iconic building we operate in.

### **Our Mission is:**

Sharing a diversity of football stories from the pitch to the community

At the heart of the NFM is a museum, which incorporates the site of the Urbis building and its Galleries which each have a separate purpose and identity:

- Pitch Gallery on the ground floor a 'Pop-Up' photography and art space which also acts as an event and activity area under the lights and on the astro turf.
- Match Gallery on level 1 which houses our permanent exhibitions and tells the story of the game, its players, managers, grounds, fans and cups as well as incorporating the NFM cinema.
- Play Gallery on level 2 an agile kinaesthetic space focusing on the science and technology of modern football and where our visitors get the opportunity to play football in new innovative ways.
- Score Gallery on level 3 which acts as a special exhibition area.
- Community Gallery on level 4 which is where our Community programmes take place with schools and groups and on which Community exhibitions are co-produced over the summer

Complementing our exhibitions and access to our collections both in Manchester and Preston each year we run a series of events programmes for the public and the community both with our in-house team and external practitioners.

### **Summary of Risks**

The NFM's board of trustees meet quarterly and assess a risk, with high category risks as part of the CEO Report. Key risks include:

- Maintaining the annual grant received from Manchester City Council
- Managing commercial partners to contribute to income and protect our reputation
- Developing the culture and capacity of the organisation in a period of great change
- Ageing Galleries and exhibitions in need of refurbishment
- Impact of post Covid-19 recession on visitor numbers
- Ability to raise revenue including fundraising to reach targets
- Uncertain amount of capital available for investment

### **Structure, Governance and Management**

The Trustees meet four times per year. Reports from the Senior Leadership Team, who have been delegated day to day management of the Museum, are submitted to, and discussed at, each of these meetings. New Trustees can be appointed by ordinary resolution at these meetings. Trustees are appointed for a period of three years. Trustees can be reappointed but the Memorandum and Articles set out that no trustee may hold office for more than two terms (effective from April 2018).

The Trustees of the Museum are selected according to their skills and knowledge to aid the management of the Museum.

The Trustees have an Audit and Risk Committee, which meets at least annually with the auditors, and then as and when required. This was chaired by Steven Broomhead until his resignation and is now chaired, on an interim basis, by Clive Memmott.

There is a Nomination and Remunerations Committee which was chaired by Mandy Digby until her resignation, and is now chaired, on an interim basis, by Clive Memmott. This meets as and when required.

The Trustees who served during the period are set out on page 3.

### **Trustees, Management and Employees**

The Board of Trustees have overseen a very difficult year, with the numerous challenges presented to the National Football Museum and the sector by the impact of the pandemic. We are very pleased that, notwithstanding the severe impact of the pandemic, the Museum is in a good financial position, with a new strategic plan, to deliver on the opportunities ahead.

Ian Penrose, who has been Chair for 4 years and a Trustee for more than nine years, has indicated to the Board that he also intends to step down from the Board by the end of the year. A process to recruit Ian's successor is now underway with an external recruitment agency.

A number of the Trustees, Steven Broomhead, Mandy Digby, Nick Paske and Fayyaz Ali have served nine year terms or more and have resigned accordingly during the year.

The Chair and those Trustees have contributed significantly to the National Football Museum during a lengthy period, initially by securing the continuing existence of the NFM by being fundamental in facilitating the move of the Museum to Manchester from Preston, ensuring that the Board delivered on its strategy, and by setting the standards for its annual operations, which saw visits from footballers past and present, the Royal Family, the Prime Minister and international Presidents, amongst others.

The Board would like to place on record their sincere thanks to the Chair and those Trustees for their contributions.

The Trustees welcomed Jane Bateman and Dave Moutrey to the Board and will be looking to make further appointments over the next few months.

The Board would also like to record their appreciation of the work by museum staff during the year, particularly under the challenging circumstances that have resulted from the COVID-19 pandemic, and to acknowledge the difficulties that staff who were furloughed may have experienced. The Chairman held weekly calls with the CEO and CFO, and the Board's Committees in general kept in regular contact with the Museum staff. The museum held regular online staff updates through the periods of lockdown to keep staff in touch and adopted a caring approach to all staff members during this very difficult period.

### **Reference and Administrative Details**

Details of the registered office, Trustees and principal officers and other relevant information is given on page 3.

### **Business Review Introduction**

The NFM has the world's largest public football collection over 40,000 objects and archives including the story of the early years of football. Through this collection the Museum explores why football is the game of our lives and the impact it has on society. This work is done through the permanent exhibitions which explore the history of the English game with both the national side and the English Leagues and our special exhibitions and interactions which stimulate stories about the impact of football.

Our collections currently stored at Preston North End Football Club, the original home of the museum, are a source of research and examination for academics and individual enquirers and we encourage universities to generate studies to develop our collection and invest in our purpose and aims.

As a museum our work is centred upon our collections and we endeavour to conserve and curate and conserve those objects and archives that stimulate stories about football and will constitute the unique history of the world's greatest and most popular sport. As part of our strategic plan we will make sure this is a fully representative history and has a constant drive for contemporary collecting with the support of the professional game and football bodies. We would also like to build a 'world changing' programme which displays objects to represent significant moments and actions from the global game.

The collection's Designation status was renewed in November 2017 under the scheme operated by Arts Council England (ACE). This means that the collection is officially recognised as being of national and international significance.

### **Vision and Aims**

The Museum's strategic four-year vision is: To be a leading national museum (with 1 million visitors by 2022), exploring why football is the game of our lives

This purpose is delivered through four strategic aims:

- Aim 1: Become a centre of excellence for football heritage through fully representative exhibitions, collections and research
- Aim 2: Build an award-winning inclusive programme of Community & Public Engagement activities
- Aim 3: Improve the financial sustainability of the organisation by delivering exceptional visitor and stakeholder experience
- Aim 4: Operate a Good Practice model for our physical and human resources

Relating to impact the Museum's social purpose is to provide the opportunity for all to enjoy football.

### **Stakeholders**

The support of a range of organisations and individuals has been, and will continue to be, vital to the achievement of the Museum's unique mission. The Museum works in close partnership with a wide range of organisations, from local and regional, to national and international bodies. These include community groups, heritage organisations, tourism bodies, football organisations, businesses and universities.

Manchester City Council (MCC) is the key stakeholder and a strategic partner for the Museum. The partnership with MCC enabled the Museum to come to Manchester in 2012. We are delighted that MCC Executive Committee have agreed to a new 25 year lease on the building in Manchester, alongside a new three year funding grant, both to commence on 1 April 2022.

As part of the revitalised Hall of Fame initiative the Museum has built up a panel of advisors from all the major football institutions and representatives from the games.

The objective is also to draw in diverse representation from individuals with skills and experience into advisory groups who will help support the Museum's governance and develop a more representative culture.

We signed a Memorandum of Understanding with the Football Association in June 2020 that sets out an intention for the museum to work to curate their collection and display selected objects.

The Professional Footballers' Association (The PFA) who have been a strong supporter over the years including sponsoring the Hall of Fame events and exhibition programmes. We have agreed a Memorandum of Understanding with the PFA to enable the museum to curate their collection.

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The Museum purchased the FIFA Collection from FIFA, with grant funding from the Heritage Lottery Fund (HLF) and the North West Development Agency (NWDA). FIFA provided funding so that the Museum could purchase the world's finest collection of football books, which is known as the FIFA Book Collection. With the support of FIFA, items from the FIFA Collection have featured in over 25 exhibitions around the world, including during the 1998, 2002, 2006 and 2010 FIFA World Cup Finals.

Kick it Out are another organisation that the Museum has worked actively with over the years and there are new plans to work with them in association with their 25th anniversary. As part of this discussions are taking place for the Museum to take on loan the Kick it Out Collection to support research, conservation and new exhibitions.

We are also building new relationships with organisations such as the Premier League Charitable Fund who share our values and strategic priorities.

### **National Football Museum (NFM) Community**

In 2018 the People and Communities department was rebranded to become National Football Museum Community to bring us in line with Football in the Community schemes operated by professional clubs across England and Wales.

Linked to our new vision the new focus is about attracting the community to the museum for specialist and inclusive activities.

The key impact areas of the department are across inspiring learning about football's diverse heritage, increasing participation in cultural activity and increasing representation from protected characteristics in the community

NFM Community currently has the following areas of delivery: Age Friendly, Families and Adults, Volunteers and Education.

### **Volunteers**

The Museum closure enforced by COVID-19 has had a significant impact on the number of active volunteers. 32 (2020:97) volunteers engaged in activities a number of departments in Manchester as well as in our collections store and archives in Preston.

### **Education**

NFM Community offers a comprehensive programme of activities responding to the National Curriculum. Currently the following Education activities are the most popular: Football & Local History, Lily Parr: History Maker, Early History of Football and Designer Balls.

COVID-19 significantly impacted our education activity during the year. In 2020/21 we recorded 15 (2020: 300) school visits, totalling 351 (2020: 8,250) visitors. These include: Primary, Secondary, College, University & Language Schools.

As a response to the pandemic, the education team increased the content on the museum's YouTube channel, achieving 26,000 views on content which is largely aimed at a school audience.

### **Adult Provision**

The Museum delivers Age Friendly workshop groups supported by Sporting Memories and a range of dedicated initiatives including trails and talks. The Sporting Memories group met online throughout the pandemic, with over 1,000 instances of participation.

### **Heritage Assets Valuation**

Heritage assets are held on the balance sheet at a value of £1,248,357 (2020 £1,248,357). A professional valuation was completed in July 2021 which supported the carrying value on the balance sheet.

Heritage assets are initially recognised at the cost of purchase or the carrying amount of assets exchanged and any cash settlements made or payable at the date the charity assumed legal title or control of the acquired asset. Donated collection items are capitalised at their estimated market value. For further details on the accounting policy, see note 1.

Depreciation of exhibitions capitalised, as outlined in net incoming/outgoing resources, whilst being recorded in the accounts, has no cash effect and is added back to illustrate the real net income.

The depreciation charge for the year included in the Consolidated Statement of Financial Activities was £40,685 (2020: £120,627).

### **Financial review**

#### **Principal Risks and Uncertainties**

The Trust operates a Finance and Audit Committee which was chaired by Steven Broomhead until his resignation and now chaired, on an interim basis by Clive Memmott.

Risk is measured through a traffic lights system by likelihood of occurring and impact if it does occur. Amber risks are brought to the board with monitoring reports and responded to by Trustees if there are any changes. Principal risks for the Museum are:

1. Support from Manchester City Council

MCC have stated that they wish to reduce the level of the grant that the museum enjoys. Following a number of meetings between the leadership team and council officials, the Council's Executive Committee have agreed a renewal of the grant for a further three year period, albeit at a lower level of financial support. The Council have confirmed that the level of funding for 2021/22 will remain at the same level as 2020/21.

The Urbis Building, in which the museum is housed, is leased to the museum by MCC for a peppercorn rent. MCC Executive have approved the renewal of the lease for a 25 year term from April 2022.

2. COVID-19

The museum experienced a number of local and national lockdowns due to the COVID-19 pandemic, meaning that we were only open to the public from 27 July to 1 November 2020. The direct impact was eight months of lost visitor income. The longer terms effects on the economy are uncertain, but the reduction in international travel, and uncertainty in the UK economy may have an adverse impact on the number of people paying to visit the museum in the short to medium term.

#### **Future developments**

The main focus will be to continue to put a value on the NFM's services through the charging model and gain funding and sponsorship to achieve the new strategic plan. With a more clearly defined purpose the NFM is set to become the place to be to share stories about football and deliver both community and public programmes which will make a difference to our visitors both in Manchester but also digitally around the country and the world.

### General

The financial statements for the Museum for the year ended 31 March 2021 highlight the eighth complete financial year of trading for the Museum at its home in Manchester and a consolidation of the trading company activity since the move from Preston to Manchester. All funding arrangements are in place and Manchester City Council will continue with a direct grant funding arrangement.

The local and national lockdowns caused by the COVID-19 pandemic forced the museum to close to visitors for eight months within the 2020/21 financial year, welcoming less than 8,000 visitors. The significant loss of visitor revenue was mitigated by:

- Use of reserves built up following the trustees' decision to introduce a charging model in 2019
- Successful application for Cultural Recovery Fund grant
- Use of the furlough scheme for both front of house and back of house staff
- Careful management of business costs

We are delighted to have been granted funding from the Cultural Recovery Fund via the Arts Council:

- £515k in round one, covering the period October 2020 to March 2021
- £239k in round two, covering the period April 2021 to June 2021

### Detailed

Total unrestricted income generated within the year was £2,478,788 (2020 £3,084,983) of which £1,450,000 (2020 £1,450,000) was received from Manchester City Council. The Museum met the balance of expenditure through small grants from other public bodies, and through trading and charitable activities particularly in its subsidiaries.

### Funding Issues and Financial Management

The current funding arrangement with Manchester City Council runs to March 2022, but the Council's Executive Committee have agreed a new 3 year grant agreement to run to March 2025. Financial policies and procedures have been introduced and presented to management to protect profitability of the Museum, reduce fixed costs and improve monthly management reporting.

### Pay policy for senior staff

The Directors consider the Board of Directors, who are the Charity's Trustees, and the senior leadership team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. All Trustees give of their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in notes to the accounts.

The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, the Directors benchmark against pay levels in other museums of a similar size run on a voluntary basis. The remuneration bench-mark is the mid-point of the range paid for similar roles adjusted for a weighting of up to 30% for any additional responsibilities. If recruitment has proven difficult in the recent past a market addition is also paid with the pay maximum no greater than the highest benchmarked salary for a comparable role.

In 2019 the leadership team instructed Croner to do a review of all salaries and wages across the organisation and recommend entry and target bands as bench marked against other cultural organisations, locally and nationally. The recommendations of the review were implemented during 2019/20.

### Subsidiary company

The Museum owns the whole of the issued share capital of the National Football Museum at Urbis (Trading) Limited, a company registered in England and Wales. The subsidiary undertakes a number of commercial activities for the Museum. They include retail, catering, corporate hospitality, commercial sponsorship, image rights and licensing and publication royalties.

### Heritage assets

The Museum owns six collections of major historical significance. Details of the individual collections are included within note 15 to the accounts.

**Reserves policy**

The Museum has a number of restricted funds, the majority of which relate to specific capital expenditure and collections. The purpose of these funds is detailed in note 22 in the financial statements and summarises the period's movements on each fund.

The Museum is striving to achieve general reserves equivalent to at least twelve months running costs in order to effectively manage unforeseen circumstances.

**Risk management**

The Museum has a Risk Register, which is reviewed regularly, by the Finance and Audit committee.

**Going concern**

In carrying out their duties in respect of going concern, the trustees have carried out a review of the charity's financial position and cash flow forecast for a period of 12 months from the date of approval of these financial statements. The forecasts have been based on a comprehensive review of revenue, expenditure and cash flows, taking into account specific business risks and the uncertainties brought about by the current economic environment.

To ensure the continuation of the Charity the trustees regularly review the cash flows of the Charity both in the short and medium term, have a thorough approach to managing the working capital and hold regular reviews, which includes an assessment of any bad debt risk or impairment concerns. This is supported by regular monitoring of key performance drivers.

Manchester City Council's Executive Committee have agreed to the renewal of both the lease and grant arrangements.

After making appropriate enquiries, the Trustees have a reasonable expectation given past performance and reserves levels that the Museum has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

**Auditor**

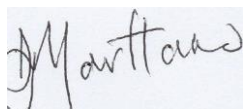
The incumbent auditor, KPMG will not be seeking reappointment. Hurst Accountants Limited, will be appointed under section 487(1) of the Companies Act 2006.

In approving the Trustees' Annual Report, the Trustees have also approved the Strategic Report, in their capacity as directors of the charitable Company.

**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 the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on 28 October 2021 and signed on its behalf by



.....  
Mr DJ Martland-Secretary  
Urbis Building  
Cathedral Gardens  
Manchester  
M4 3BG

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

The trustees are responsible for preparing the Trustees' Annual Report and the group and parent charitable company's 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 charitable company's financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 parent charitable company and of the group's income and expenditure for that period. In preparing each of the group and parent 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 and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the parent charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the parent charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Independent auditor's report to the members of The National Football Museum Limited

### Opinion

We have audited the financial statements of The National Football Museum Limited ("the charitable company") for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charitable Company Balance Sheet, Consolidated Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the charitable company's affairs as at 31 March 2021 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

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the charitable company or to cease their operations, and as they have concluded that the group and the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and charitable company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group or the charitable company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or the charitable company will continue in operation.

### Fraud and breaches of laws and regulations – ability to detect

#### ***Identifying and responding to risks of material misstatement due to fraud***

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

Our risk assessment procedures included:

- Enquiring of management, the Audit Committee and inspection of policy documentation as to the Charity's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using final analytical procedures to identify any usual or unexpected relationships.
- Reviewing the Charity's accounting policies.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as asset valuations and impairments. On this audit we do not believe there is a fraud risk related to revenue recognition due to the reduced activity in the year as a result of the pandemic.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Group-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on high risk criteria and comparing the identified entries to supporting documentation. These included unusual journal characteristics linked to cash.
- Assessing the completeness of disclosed related party transactions and verifying they had been accurately recorded within the financial statements.

### ***Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations***

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience and through discussion with the Trustees and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Charity is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Charity is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

### ***Context of the ability of the audit to detect fraud or breaches of law or regulation***

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **Other information**

The trustees 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.

### **Trustees' responsibilities**

As explained more fully in their statement 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; 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.



Timothy Cutler (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor

**Chartered Accountants**  
**1 St Peter's Square**  
**Manchester**  
**M2 3AE**

12 November 2021

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted Funds	Restricted Funds	2021 Total Funds	2020 Total Funds
		£	£	£	£
	<b>Note</b>				
<b>Income</b>					
Donations and legacies	<b>3</b>	6,357	-	6,357	33,587
<u>Charitable activities</u>	<b>4</b>				
Grant income		2,295,380	151,597	2,446,977	1,483,000
Admissions		57,492	-	57,492	1,037,390
Trading activities	<b>5</b>	110,064	-	110,064	537,480
Other income	<b>6</b>	9,495	-	9,495	26,526
<b>Total income</b>		<u>2,478,788</u>	<u>151,597</u>	<u>2,630,385</u>	<u>3,117,983</u>
<b>Expenditure</b>					
Raising funds		90,006	-	90,006	446,963
Charitable activities		2,044,227	52,607	2,096,834	2,611,768
<b>Total expenditure</b>	<b>7</b>	<u>2,134,233</u>	<u>52,607</u>	<u>2,186,840</u>	<u>3,058,731</u>
<b>Net income/(expenditure)</b>		344,555	98,990	443,545	59,252
Transfer between funds		41,597	(41,597)		
Loss on impairment of fixed assets	<b>14</b>	-	-	-	(2,581,637)
<b>Net movement in funds</b>		<u>386,152</u>	<u>57,393</u>	<u>443,545</u>	<u>(2,522,385)</u>
<b>Reconciliation of funds</b>					
Balances brought forward		417,179	1,455,565	1,872,744	4,395,129
<b>Balances carried forward</b>		<u>803,331</u>	<u>1,512,958</u>	<u>2,316,289</u>	<u>1,872,744</u>

The results are derived from continuing activities. All gains and losses are recognised in the year are included in the above. The surplus for the year for Companies Act purposes comprises the net movement of funds for the year net of unrestricted profits and losses on investments and was a surplus of £443,545 (2020 deficit: £2,522,385).

The accompanying notes form part of the financial statements.

THE NATIONAL FOOTBALL MUSEUM  
CONSOLIDATED BALANCE SHEET  
AS AT 31 MARCH 2021

				2021	2020
	Notes	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Total Funds</i>	<i>Total Funds</i>
		£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	14	16,893	589,601	606,494	640,757
Heritage assets	15	400,000	848,357	1,248,357	1,248,357
Investments	16	-	-	-	1
		416,893	1,437,958	1,854,851	1,889,115
<b>Current Assets</b>					
Stocks	17	32,258	-	32,258	36,996
Debtors	18	478,914	-	478,914	91,476
Cash at bank and in hand		675,209	75,000	750,209	527,282
		1,186,381	75,000	1,261,381	655,754
<b>Creditors: Amounts falling due within year</b>	19	(399,943)	-	(399,943)	(272,125)
<b>Net current assets/(liabilities)</b>		786,438	75,000	861,438	383,629
<b>Total Assets Less Current Liabilities</b>		<b>1,203,331</b>	1,512,958	2,716,289	2,272,744
<b>Creditors: Amounts falling due after more than one year</b>	20	<b>(400,000)</b>	-	(400,000)	(400,000)
<b>Net Assets</b>		<b>803,331</b>	1,512,958	2,316,289	1,872,744
<b>Funds</b>					
Unrestricted funds	21	803,331	-	803,331	417,179
Restricted funds	22	-	1,512,958	1,512,958	1,455,565
		803,331	1,512,958	2,316,289	1,872,744

The accompanying notes form part of the financial statements.

These consolidated financial statements were approved by the board of trustees on 28 October 2021 and signed on their behalf by



Mr IR Penrose -Trustee

Company Number: 03070670

CHARITABLE COMPANY BALANCE SHEET  
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £	2020 Total Funds £
<b>Fixed Assets</b>					
Tangible assets	14	16,893	589,601	606,494	640,757
Heritage assets	15	400,000	848,357	1,248,357	1,248,357
Investments	16	1	-	1	2
		416,894	1,437,958	1,854,852	1,889,116
<b>Current Assets</b>					
Stocks	17	-	-	-	-
Debtors	18	544,380	-	544,380	192,543
Cash at bank and in hand		636,984	75,000	711,984	499,335
		1,181,364	75,000	1,256,364	691,878
<b>Creditors: Amounts falling due within one year</b>	19	(328,835)	-	(328,835)	(237,065)
<b>Net Current Assets/(Liabilities)</b>		852,529	75,000	927,529	454,813
<b>Total Assets Less Current Liabilities</b>		1,269,423	1,512,958	2,782,381	2,343,929
<b>Creditors: Amounts falling due after more than one year</b>	20	(400,000)	-	(400,000)	(400,000)
<b>Net Assets</b>		869,423	1,512,958	2,382,381	1,943,929
<b>Funds</b>					
Unrestricted funds	21	869,423	-	869,423	488,364
Restricted funds	22	-	1,512,958	1,512,958	1,455,565
		869,423	1,512,958	2,382,381	1,943,929

The accompanying notes form part of the financial statements

These financial statements were approved by the Board of Trustees on 28 October and are signed on their behalf by:



Mr I R Penrose – Trustee

Company Number: 03070670

THE NATIONAL FOOTBALL MUSEUM

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021		2020	
		£	£	£	£
<b>Cash provided by/(used in) operating activities</b>	<b>1</b>		<b>229,164</b>		180,519
<b>Cash flows from investing activities</b>					
Interest received		185		1,170	
Purchase of fixed assets		(6,422)		(37,747)	
<b>Net cash provided by/(used) in investing activities</b>			<b>(6,237)</b>		<b>(36,577)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>			222,926		143,942
Cash and cash equivalents at beginning of year			527,282		383,340
<b>Cash and cash equivalents at end of year</b>			<b>750,209</b>		<b>527,282</b>

The accompanying notes form part of the financial statements.

**CONSOLIDATED CASH FLOW STATEMENT (continued)****FOR THE YEAR ENDED 31 MARCH 2021****1 Reconciliation of net movement in funds to net cash flow from operating activities**

	<b>2021</b> £	<b>2020</b> £
Net (outgoing)/incoming resources	443,545	59,252
Interest received	(185)	(1,170)
Depreciation	40,685	120,628
Loss on disposals	-	3,686
Decrease/(increase) in stocks	4,738	(3,207)
Decrease/(increase) in debtors	(387,438)	(1,140)
Increase/(decrease) in creditors	127,819	2,470
Net cash inflow/(outflow) from operating activities	<u>229,164</u>	<u>180,519</u>

**2 Analysis of net funds**

	<b>1 April</b> <b>2020</b> £	<b>Cashflow</b> £	<b>31 March</b> <b>2021</b> £
Cash at bank and in hand	527,282	222,927	750,209
Debt due after one year	(400,000)	-	(400,000)
Net (debt)/funds	<u>127,282</u>	<u>222,927</u>	<u>350,209</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

**1 Accounting policies**

**Legal form**

The National Football Museum is a charitable company limited by guarantee as defined by the Companies Act 2006, incorporated in England and Wales. The registered office is Urbis Building, Cathedral Gardens, Manchester, M4 3BG.

**Basis of accounting**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) which became effective 1 January 2015 and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The National Football Museum meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

**Basis of consolidation**

The consolidated financial statements incorporate all assets and liabilities and income and expenditure of the wholly owned non-charitable subsidiary. As a consolidated Statement of Financial Activities is published, no separate Statement of Financial Activities for the charity alone has been presented as permitted by Section 408 of the Companies Act 2006.

**Preparation of the accounts on a going concern basis**

The financial statements are prepared on a going concern basis which the trustees believe to be appropriate for the following reasons.

The trustees have prepared projected cash flow information for the period ending twelve months from the date of their approval of these financial statements which indicate that, taking account of reasonably possible downsides, including the impact if COVID-19, the group and company will have sufficient funds to meet their liabilities as they fall due for that period.

The group is reliant on income in the form of grant funding from Manchester City Council (MCC) to sustain its operations. The trustees have been in discussion with MCC over a renewal of the grant funding agreement from 1 April 2022 once the existing agreement has expired. MCC's Executive Committee have agreed that the grant will be renewed for a further period of 3 years at a level sufficient to meet the group's and company's liabilities as they fall due.

Based on their enquiries the trustees believe that it remains appropriate to prepare the financial statements on a going concern basis.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 1. Incoming resources

Grant and other similar income is credited to the statement of financial activities as it becomes due, gross of income tax where applicable. Restricted income relates to amounts which are received for a specific purpose and is matched to related expenditure in the statement of financial activities. Restricted grants are classified as charitable activities.

Donations and all other receipts from fundraising are reported gross and the related fundraising costs are reported in other expenditure. Cash collections to which the charity is entitled but which it has not received by the year end are included in incoming resources in the statement of financial activities and shown as debtors in the balance sheet. Investment income is accounted for when receivable.

Grants relating to fixed asset purchases are credited in full to the statement of financial activities in the year in which they are receivable. Where the obligation attached to the grant income is fully met by purchasing the relevant capital items, the fund balance is transferred to unrestricted funds.

Trading income comprises Royalties and image sales, sponsorship, shop takings, commissions, visitor income and interactive sales is included at the fair value of the consideration received or receivable for goods and services provided in the normal course of business and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

### Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), no amounts are included in the financial statements for services donated by volunteers.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

### Resources expended

#### Fund accounting

Expenditure has been charged to the statement of financial activities on an accruals basis. Expenditure relating directly to the objects of the charitable group is allocated as costs of operating the Museum with central administration costs allocated to the management and administration of the charitable group.

Exhibition costs which relate to short term or temporary exhibitions are expended in the statement of financial activities in the year in which they arise.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Expenditure is classified under the following activities:

- Expenditure on raising funds are those costs incurred in attracting voluntary income, fundraising and trading activities undertaken by the subsidiaries.
- Expenditure on charitable activities are those costs incurred in running and operating the charitable Museum.
- Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. The basis on which support costs are allocated are set out in note 8.

The group has a number of restricted income funds to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose.

All other funds are unrestricted income funds which are available for use in furtherance of the general objectives of the charity. Designated funds are unrestricted funds set aside for particular purposes.

Where a grant or donation is received to fund a capital item or where an asset is donated, if there is an obligation relating to the future use or retention of the relevant asset, the balance relating to that asset is held within restricted funds as long as that restriction exists. Where there is no such restriction, the restricted income relating to the purchase of capital items is transferred to unrestricted funds in the Statement of Financial Activities.

**Tangible fixed assets and depreciation**

Tangible fixed assets costing more than £500 are capitalised and included at cost including any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant, office equipment	Over 5 years
IT equipment	Over 3 years
Leasehold improvements	Over 10 years
Permanent exhibition stands	Over 5 and 7 years

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Exhibition costs which relate to long term museum exhibition stands and displays are capitalised in the balance sheet.

**Impairment**

At each reporting period end date, the Charity reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Financial Activities.

**Heritage assets**

Heritage assets comprise collection items displayed throughout the Museum. Purchased items are capitalised and included at cost. Donated collection items are capitalised at their estimated market value.

It is the responsibility of the Museum to preserve the collection items for the benefit of the nation and due to their nature, they are expected to have a long life. Depreciation is therefore not charged on collection items which have been capitalised. Impairment reviews are carried out frequently in respect of such assets. The policy for acquisition, preservation, management, and disposal of heritage assets includes records maintained by the entity of its collection of heritage assets and information on the extent access to the assets is permitted.

The carrying amount of heritage assets at the beginning of the financial period and at the balance sheet date, are reported at fair value including an analysis between classes or groups of relevant heritage assets. For assets purchased since the last valuation fair value is deemed to be cost. There has been an external valuation carried out by Art & Antiques Appraisals, finalised 15 November 2018. The collection has been valued at a mid-estimated auction value. We have no reason to believe that there has been a material change in value since the last official valuation.

**Investments**

In the parent company financial statements, investments in subsidiaries and associated are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

**Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete to sell.

Costs comprise direct materials and, where applicable, direct labour costs and those overheads have been incurred in bringing the stocks to their present location and condition. Stocks are measured using the first in first out method of accounting.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit and loss.

**Operating leases**

Rentals payable under operating leases, including any lease incentives received, are charged against income on a straight-line basis over the lease term.

**Employee benefits**

The group operates group personal pension arrangements. Contributions payable are charged to the Statement of Financial Activities in the year they are payable.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**Taxation**

The Company is a registered charity and consequently there is no liability to taxation.

**Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts allowed.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****Judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

During the year, an impairment review has been carried out on the leasehold asset class. The results of this review are detailed in note 14.

**2 Results of the parent company**

As permitted by Section 408 of the Companies Act 2006 these accounts do not include a separate SOFA for the parent charity. The results of the parent charity alone (including gift aid receipts from its subsidiaries, as detailed in note 16) are:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Incoming resources	2,592,164	2,830,539
Resources expended	(2,153,712)	(2,690,638)
	<hr/>	<hr/>
Net (outgoing)/ incoming movement in funds	<u>438,452</u>	<u>139,901</u>

**3 Donations and legacies**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total Funds</b>	<b>Total Funds</b>
	<b>Funds</b>	<b>Funds</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Donations and voluntary income	6,357	-	6,357	33,587
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>6,357</u>	<u>-</u>	<u>6,357</u>	<u>33,587</u>

In the previous year, all of the income from charitable activities was unrestricted.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

**4 Income from charitable activities**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds 2021 £</b>	<b>Total Funds 2020 £</b>
Grants	2,295,380	151,597	2,446,977	1,483,000
Admission and other income	57,492	-	57,492	1,037,390
	<u>2,352,872</u>	<u>151,597</u>	<u>2,504,469</u>	<u>2,520,390</u>

In the previous year, income from charitable activities comprised of £33,000 of restricted income and £2,487,390 of unrestricted income.

During the year the museum has claimed £387,640 from the government's Coronavirus Job Retention Scheme. This has been recognised as grant income on an accruals basis.

**5 Income from trading activities**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds 2021 £</b>	<b>Total Funds 2020 £</b>
Shop takings	76,126	-	76,126	362,991
Interactive Sales	849	-	849	82,339
Commissions	-	-	-	42,556
Rentals	1,292	-	1,292	29,858
Visitor Income	-	-	-	11,106
Sponsorship	29,167	-	29,167	8,028
Royalties and image sales	2,630	-	2,630	602
	<u>110,064</u>	<u>-</u>	<u>110,064</u>	<u>537,480</u>

In the previous year, all of the income from trading activities was unrestricted.

**6 Other income**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds 2021 £</b>	<b>Total Funds 2020 £</b>
Tax refund	9,310	-	9,310	25,356
Bank interest	185	-	185	1,170
	<u>9,495</u>	<u>-</u>	<u>9,495</u>	<u>26,526</u>

In the previous year, all of the other income was unrestricted.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 7 Total resources expended

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
<b>Expenditure on raising funds</b>				
Purchases for resale	53,794	-	53,794	208,142
Other cost of sales	2,110	-	2,110	5,729
Costs of events	190	-	190	4,128
Early settlement charge (rates rebate)	(55,954)	-	(55,954)	100,000
Wages and national insurance	89,866	-	89,866	128,964
	90,006	-	90,006	446,963
<b>Expenditure on charitable activities</b>				
Wages and national insurance	1,073,860	-	1,073,860	907,861
Pension costs	94,917	-	94,917	89,896
Education	7,715	10,000	17,715	4,499
Training	1,972	-	1,972	7,701
Rents, rates and water	8,714	-	8,714	94,491
Heat and light	95,295	-	95,295	197,629
Insurance	81,451	-	81,451	57,657
Repairs and maintenance	174,265	-	174,265	231,401
Cleaning	13,834	-	13,834	130,971
Exhibition costs	18,306	-	18,306	165,686
Marketing costs	40,834	25,000	65,834	98,957
Telephone	30,249	-	30,249	31,435
Printing, postage and stationery	8,340	-	8,340	12,442
Motor and travel expenses	3,553	-	3,553	12,887
Bad debts	-	-	-	-
General expenses	15,034	-	15,034	39,103
Security	12,381	-	12,381	49,458
Software support	25,441	-	25,441	51,881
Bank charges	8,772	-	8,772	26,272
Legal and professional	116,726	-	116,726	93,689
Governance and support costs (note 8)	189,490	-	189,490	182,854
Depreciation - leasehold improvements	-	17,607	17,607	93,965
Depreciation - permanent exhibitions	16,634	-	16,634	16,972
Depreciation – fixtures	-	-	-	7,338
Depreciation – IT	6,444	-	6,444	2,352
Trustee expenses	-	-	-	685
Loss on disposal of fixed assets	-	-	-	3,686
	2,044,227	52,607	2,096,834	2,611,768
	2,134,233	52,607	2,186,840	3,058,731

In the previous year total resources expended comprised of £111,158 of restricted expenditure and £2,947,573 unrestricted expenditure. The early settlement charge relates to a five- year contract for an electronic advertising board that the trustees have chosen to exit early because the rates payable on the board exceeded the rental share.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

**8 Support and governance costs**

	General support £	Governance function £	Total £	Basis of apportionment
Wages and national insurance	130,498	-	130,498	Support
Audit and accountancy	-	57,514	57,514	Governance
Insurance	-	1,478	1,478	Governance
	<u>130,498</u>	<u>58,992</u>	<u>189,490</u>	

**9 Analysis of expenditure on charitable activities**

The total expenditure on charitable activities of £2,096,834 (2020: £2,611,768) all relates to the sole charitable activities of running the Museum.

**10 Summary of analysis of expenditure and related income for charitable activities**

	Running of Football Museum	Total £
Costs	(2,096,834)	(2,096,834)
Grants, donations and museum admissions	<u>2,520,321</u>	<u>2,520,321</u>
Net expenditure from charitable activities	<u>423,487</u>	<u>423,487</u>

**11 Net Incoming Resources**

	2021 £	2020 £
Depreciation of owned fixed assets	40,685	120,627
Operating lease rentals	26,274	28,964
Auditor's remuneration:		
Audit fees (group excluding the company)	24,990	15,000
Audit of the Company	15,375	15,000
	<u>                    </u>	<u>                    </u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

**12 Analysis of staff costs, Trustee remuneration and expenses and the cost of key management personnel**

The aggregate payroll costs were:

	2021 £	2020 £
Wages and salaries	1,202,286	1,095,357
Social security costs	91,937	76,714
Pension costs	94,917	89,896
	<u>1,389,140</u>	<u>1,261,967</u>

One member of staff was paid an annual salary between £80,000 - £89,999 during the year (2020: one). Pension contributions in respect of the above employee totalled £11,202 for the year (2020: £10,450).

One member of staff was paid an annual salary between £90,000 - £99,999 during the year (2020: nil). Pension contributions in respect of the above employee totalled £16,112 for the year (2020: £nil).

Key management personnel were paid a total of employee benefits of £332,712 (2020: £189,419) during the year. We consider key management to include the Senior Leadership Team of four people (2020: four).

One of the pension schemes available to employees has a salary sacrifice option. Where employees choose this option the pension payments made are all treated as employer's pension costs.

The Trustees received no remuneration from a charitable group. A total of £nil (2020: £685) was paid to no trustees (2020: two) in relation to the reimbursement of travelling expenses incurred attending trustee meetings.

The cost of insurance to indemnify the trustees against the consequences of any neglect of default on their part amounted to £1,479 (2020: £2,141).

Redundancy payments of £2,578 (2020: £nil) were incurred during the year. At the year end, redundancy payments of £nil (2020: £nil) were outstanding.

**13 Staff numbers**

The average number of employees analysed by function was:

	<b>2021</b>	<b>2020</b>
	<b>No</b>	<b>No</b>
Collections and learning	13	13
Visitor experience	34	38
Operations	13	13
	60	64

The average number of employees, calculated on a full-time equivalent basis, analysed by function was:

	<b>2021</b>	<b>2020</b>
	<b>No</b>	<b>No</b>
Collections and learning	10	11
Visitor experience	22	23
Operations	13	13
	45	47

**14 Tangible Fixed Assets - Group and charitable company**

	<b>Leasehold</b>	<b>Permanent</b>	<b>Plant &amp;</b>	<b>IT</b>	
	<b>Improvements</b>	<b>Exhibitions</b>	<b>Office</b>	<b>Equipment</b>	<b>Total</b>
	£	£	£	£	£
<b>Cost</b>					
At 1 April 2020	591,322	114,010	291,990	17,282	1,014,604
Additions	-	-	-	6,422	6,422
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
At 31 March 2021	591,322	114,010	291,990	23,704	1,021,026
<b>Depreciation</b>					
At 1 April 2020	-	79,505	291,990	2,352	373,847
Charge for the year	17,607	16,634	-	6,444	40,685
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
At 31 March 2021	17,607	96,139	291,990	8,796	414,532
<b>Carrying amount</b>					
At 31 March 2021	573,715	17,871	-	14,908	606,494
At 1 April 2020	591,322	34,505	-	14,930	640,757

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Apart from general plant and office equipment, all of the above fixed assets are used for direct charitable purposes. Permanent exhibitions relate to the long term stands and displays in the Museum.

During the previous year an impairment review was carried out on the carrying value of tangible fixed assets held on the fixed assets register, comparing the carrying value against likely selling prices, and considering costs of disposal. The key impacts of this review were:

- an impairment in the carrying value of leasehold asset of £2,582k. This impairment relates to both the carrying value of leasehold improvements, and the remaining life of the lease at the Preston site. Since the site is no longer operating as a museum, the impairment reduces all leasehold assets to nil, other than the remaining lease term. The carrying value of the lease has been assessed by taking into account an independent valuation performed in December 2019 then making allowances for subsequent movements in the property market and the likely cost of professional fees and exit costs
- depreciation life review of Manchester leasehold improvements: all leasehold assets, at both sites, were previously being depreciated over 59 years. A more prudent approach would be to depreciate such assets at the Manchester site over ten years, and as such a change has been made to the depreciation policy

**15 Heritage assets**

**Group and charitable company**

	<b>Collection Items £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 April 2020	1,248,357	1,248,357
Additions	-	-
At 31 March 2021	<u>1,248,357</u>	<u>1,248,357</u>
<b>Carrying amount</b>		
At 31 March 2021	<u>1,248,357</u>	<u>1,248,357</u>
At 1 April 2020	<u>1,248,357</u>	<u>1,248,357</u>

The National Football Museum has the greatest publicly held collection on football in the world, totalling over 140,000 items. The collection has been awarded Designation status by Arts Council England, which means that it is officially recognised as a collection of both national and international significance.

The Museum has a detailed Collections Development Policy, which has been approved by the Arts Council, the Government body responsible for promoting standards in the museums.

The museum has comprehensive insurance for all the collections held, both those on loan and those which are owned by the Museum. The following six collections are owned by the Museum, with a number of other collections on loan to the Museum:

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**15 Heritage assets (continued)**

**The FIFA Langton Collection**

This collection was acquired in 1999 from FIFA with the assistance of a grant from the Heritage Lottery Fund. The collection reflects all aspects of the history of English football, the ancient and medieval forerunners of the modern game, and also the development of the game around the world. The collection includes paintings, drawings and prints, photographs and posters, playing kit and equipment, metal sculpture, fine metal and ceramic decorative items, toys and games, books and ephemera.

**The Peoples' collection**

This collection consists of thousands of items donated by supporters, players and other individuals related to the game. It is tangible evidence of the extensive public support which the Museum has attracted. It offers an extraordinarily rich and diverse social history of the game and its role in English society throughout the twentieth century. A number of items in the Peoples' collection are on loan.

**The FIFA Book Collection**

This collection of over 1,200 football books was purchased with the financial assistance of FIFA in 1998. The collection is particularly strong in terms of rare nineteenth century year books and annuals, but also contains early histories of the game, club histories from the 1920's onwards, players' biographies and autobiographies, and football fiction from 1900 onwards.

**The Harry Langton Collection**

This collection, created by Harry Langton, the man who created the FIFA Langton Collection, was purchased by the Museum in February 2000, with the assistance of a grant from the Heritage Lottery Fund. As with the FIFA Langton Collection, the material includes paintings, drawings and prints, photographs and posters, playing kit and equipment, metal sculptures, fine metal and ceramic decorative items, toys and games and books and ephemera.

**The Sir Stanley Matthews Collection**

This collection was purchased in 2001 with the assistance of a grant from the Heritage Lottery Fund. It consists of items relating to the career of one of the greatest English players of all time, including international caps, badges and associated information relating to Sir Stanley's club career and his international career with England.

**The Chris Unger History of Women's Football Collection**

In 2015 the Museum made a successful bid of the Heritage Lottery Fund to purchase the Chris Unger History of Women's Football Collection, the greatest collection on the history of women's football. The collection includes an exhaustive range of materials from balls, boots, medals and merchandising to printed ephemera, drawn from England, USA and 30 other countries.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 15 Heritage assets (continued)

## Summary analysis of heritage asset transactions

	2021 £	2020 £	2019 £	2018 £	2017 £
Purchases	-	995	-	65,000	-
Donations	1,125	34,500	36,700	38,100	13,325
Total Additions					
Charge for impairment	-	-	-	597,448	-
Disposals	-	-	-	-	-
Proceeds from disposals	-	-	-	-	-

## 16 Fixed asset investments

	Group		Charitable company	
	2021 £	2020 £	2021 £	2020 £
Investments in subsidiaries	-	-	1	1
Investments in associates	-	1	-	1
	<u>-</u>	<u>1</u>	<u>1</u>	<u>2</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**16 Fixed assets investments (continued)**

The Charitable Company has a 100% shareholding in National Football Museum at Urbis (Trading) Limited (company number 07539263).

All companies are registered at the Urbis Building, Cathedral Gardens, Manchester M4 3AE and incorporated in England and Wales.

National Football Museum at Urbis (Trading) Limited has principal activities of commercial operations.

The details of the subsidiary and the results for the year are as follows:

**National Football Museum at Urbis (Trading) Limited:**

	<b>2021</b> £	<b>2020</b> £
Turnover	79,193	435,753
Cost of sales and other direct costs	(55,905)	(213,871)
Administrative expenses	(18,195)	(328,690)
Management charge received	-	35,623
Profit/(loss) before gift aid	5,093	(71,185)
Gift aid to charity	-	-
Profit/(loss) for the year	5,093	(71,185)

	<b>2021</b> <b>National Football Museum at Urbis (Trading) Limited</b> £	<b>2020</b> <b>National Football Museum at Urbis (Trading) Limited</b> £
Current assets	139,446	85,759
Current liabilities	(205,537)	(156,943)
Net assets	(66,091)	(71,184)
Ordinary £1 shares	1	1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

17	<b>Stock</b>	2021 £	2020 £
	Stock	<u>32,258</u>	<u>36,996</u>

18 Debtors

	<b>Group</b>		<b>Charitable company</b>	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	198,657	20,353	131,121	10,647
Taxation and social security	31,838	7,620	31,840 -	7,620
Other debtors	-	-	-	-
Prepayments	248,419	63,503	246,990	52,393
Amounts due from subsidiary	-	-	134,429	121,883
	<u>478,914</u>	<u>91,476</u>	<u>544,380</u>	<u>192,543</u>

19 Creditors: Amounts falling due within one year

	<b>Group</b>		<b>Charitable company</b>	
	2021 £	2020 £	2021 £	2020 £
Trade creditors	90,609	81,799	89,046	67,248
Taxation and social security	25,748	24,826	25,748	24,826
Other creditors	13,934	16,562	13,934	14,567
Amounts due to subsidiary	-	-	-	50,000
Accruals	<u>269,652</u>	<u>148,938</u>	<u>200,107</u>	<u>80,424</u>
	<u>399,943</u>	<u>272,125</u>	<u>328,835</u>	<u>237,065</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**20 Creditors: Amounts falling due after more than one year**

	<b>Group</b>		<b>Charitable company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Chattel mortgage	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>

The chattel mortgage from the Football Foundation originated in October 2002 with a £300,000 loan secured against two items in the FIFA collection (combined value £325,000). In August 2003 the mortgage was further extended by £100,000 with security over another item in the FIFA Collection (value of £50,000).

**21 Analysis of movements in unrestricted funds**

	<b>Group</b>	<b>Charitable Company</b>
	<b>£</b>	<b>£</b>
At 1 April 2020	417,179	488,364
Movement in resources	<u>386,152</u>	<u>381,059</u>
At 31 March 2021	<u><u>803,331</u></u>	<u><u>869,423</u></u>

The unrestricted funds represent the free funds of the charity which are not designated for particular purposes.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 22 Analysis of movements in restricted funds Group and charitable company

	Balance at 1 April					Balance at 31 March
	2020	Income	Expenditure	Transfer	Impairment loss	2021
	£	£	£	£	£	£
HLF grant - capital	107,208	-	(9,132)	-	-	98,076
Collections fund	848,357	-	-	-	-	848,357
NWDA grant-capital	500,000	-	(8,475)	-	-	491,525
HLF Art of Football	-	19,876	-	(19,876)	-	-
HLF Memories of 66	-	1,096	-	(1,096)	-	-
The University of Manchester	-	2,462	-	(2,462)	-	-
AIM - History Makers	-	18,163	-	(18,163)	-	-
Cultural Recovery Fund	-	110,000	(35,000)	-	-	75,000
<b>Total restricted funds</b>	<b>1,455,565</b>	<b>151,597</b>	<b>(52,607)</b>	<b>(41,597)</b>	<b>-</b>	<b>1,512,958</b>

The "HLF Grant- Capital" fund and other grant funds relates to capital grants received for the development of the museum in Manchester. This fund will be written off over the life of the fixed assets to which it relates by allocating a proportion of the depreciation charge each year.

The Collections fund relates to the amounts received towards the purchase of Collection items which are capitalised in the balance sheet. These assets are not depreciated and as such this fund will remain in perpetuity, which reflects the ongoing restriction.

The "NWDA Grant- capital" relates to capital grants received for development of the site at Preston. The funds will be written off over the life of the fixed assets to which they relate by allocating a proportion of the depreciation charge each year.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**23 Members**

The National Football Museum is a charitable company limited by guarantee, having no share capital and governed by its Memorandum and Articles of Association dated 31 October 1996. The members of the company are the Trustees. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

**24 Retirement benefit Schemes**

**Defined contribution schemes**

The group provides access to defined contribution pension schemes for its employees. The assets of the schemes are held separately from those of the group in independently administered funds. At the year end, contributions payable to these funds are included in creditors £7,889 (2020: £7,605). The charge to the Statement of Financial Activities in respect of defined contribution schemes was £94,917 (2020: £89,896).

**25 Operating lease commitments**

Non-cancellable operating leases are payable as follows:

**Group and Charitable Company**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Less than one year	16,282	19,218
Between one and five years	252	347
	<u>16,534</u>	<u>19,565</u>

During the year £26,274 (2020 £28,964) was recognised as an expense in the profit and loss account in respect of operating leases.

## **26 Related party transactions**

Mssrs Fairlamb, Rahman and Moutrey are employees and/or associates of Manchester City Council and trustees of the museum.

The museum received a grant from Manchester City Council of £1,450,000 in the period (2020: £1,450,000).

The grant period runs to March 2022, and it is a condition of the grant that Manchester City Council can have trustees on the museum's board. The balance outstanding at year end was £120,833 (2020: £nil), and there have not been any amounts written off in the period in relation to this payment.

The museum also leases the Urbis building from Manchester City Council for a peppercorn rent. The lease expires in July 2022.

Mr Barker is an employee of The Professional Footballers Association and a trustee of the museum. The museum receives sponsorship from the PFA of £16,666.