



**Football Licensing Authority**

# FOOTBALL LICENSING AUTHORITY

**Report and Accounts 2008**

**Accounts, prepared pursuant to section 25(10) of the government Resources and Accounts Act 2000, of the Football Licensing Authority of the year ended 31 March 2008, together with the Report of the Comptroller and Auditor General thereon.**

**Presented pursuant to section 25(10) of the Government Resources and Accounts Act 2000**

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## The Chief Executive's report

Introducing the FLA	4
Corporate governance	5

## Management commentary

Strategic priorities	8
Safety certification	8
Spectator accommodation	9
Spectator safety	10
Wider advisory role	11
Meeting our key targets	13
Highlights of the year	14
Developments since 1st April 2008	15

## Remuneration report

Statements and reports	
Statement of responsibilities	19
Statement on internal control	20
Certificate and Report of the Comptroller and Auditor General	20

## Accounts

Income and expenditure account	24
Balance sheet	25
Cash flow statement	26
Notes to the accounts	27

# The Chief Executive's report

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## Introducing the FLA

1. We believe that all spectators, regardless of age, gender, ethnic origin, sexual orientation, disability or the team that they support, should be able to attend sports grounds in safety, comfort and security. This underlies all our work on spectator safety and informs our relations with the local authorities, clubs and other partners.

2. We were established in 1990 in the aftermath of Lord Justice Taylor's Inquiry into the Hillsborough Stadium Disaster to ensure the implementation of the government's policy on the safety of spectators at grounds that host designated football matches. Since then, we have seen major improvements in crowd management, safety procedures and personnel and in the structure of the grounds. Reported injuries have fallen sharply at a time of rising attendances. However, memories of disaster have begun to fade and we need more than ever to be alert to the dangers of complacency.

3. We have long recognised that safety cannot be imposed upon the unwilling through external regulation. It requires a personal commitment from the ground management which must identify, formulate and apply all the measures necessary to ensure reasonable safety. We have therefore devoted much time and energy to advising, guiding and educating local authorities, ground management and other agencies at both national and local level.

4. Our priority over the next two years will be to increase the emphasis on risk assessments by the clubs and to move away from top down regulation. We are increasingly providing strategic advice at the national level by means of our guidance documents and at training courses and seminars and on our website. This strategic input is set to expand as we gradually move towards a lighter touch at the local level. The challenge will be to achieve this while maintaining the same safety standards.

5. Our funding agreement for 2006-2008 lists our core functions. These are derived from the Football Spectators Act 1989 and/or undertaken under delegated powers from the Department for Culture, Media and Sport ("DCMS"). They are:

- a to implement the government's policies on ensuring the reasonable safety and management of spectators at Premiership, Football League and international football grounds in England and Wales, in particular by:
  - keeping under review the discharge by local authorities of their functions under the Safety of Sports Grounds Act 1975 in relation to such grounds;
  - ensuring that clubs take responsibility for managing safety at their grounds to a reasonable standard;
  - enforcing the government's policy that all Premiership, Championship, international and, where possible, lower division grounds become all seated; and
  - advising and assisting local authorities, clubs and other relevant parties; and
- b to deploy our experience and expertise to advance the government's policies on safety at sporting events, in particular by:
  - advising the government on sports ground policy and safety issues;

- 
- advising local authorities, ground management and other responsible bodies or individuals on request; and
  - promoting British expertise overseas.

6. We derive our strategic priorities for each year from these core functions. This report examines our performance and highlights our main achievements in the light of the strategic priorities for 2007/08 (see paragraphs 19 a – e below).

### Corporate governance

7. The accounts have been prepared in the form directed by the Secretary of State for Culture, Media and Sport on 10 June 2002, with the approval of the Treasury, in accordance with paragraph 23 of Schedule 2 to the Football Spectators Act 1989. The accounts direction is available on request from the FLA.

8. The Comptroller and Auditor General is the appointed auditor for the report and accounts which are laid before Parliament by the Secretary of State in accordance with paragraph 26 of the Football Spectators Act 1989.

9. As Accounting Officer, as far as I am aware, there is no relevant audit information of which our auditors are unaware. I have taken all reasonable steps as Accounting Officer to make myself aware of any relevant audit information and to establish that our auditors are aware of that information.

10. The FLA Board Members during 2007/08 were:

Mr Anthony J Speed CBE QPM DL	Chairman
Mr Brendon Batson MBE	
Miss Pamela Carvell	
Dr Jim Dickie	
Mr John Garner OBE TD	
Dr Brian Robertson OStJ TD MIEM	
Ms Julie Summerell	
Mr John Woodrow MVO FCA	

11. The FLA Board has a corporate responsibility for:

- ensuring that the FLA complies with any statutory and administrative requirements for the use of public funds and does not exceed its statutory powers or delegated authority;
- ensuring that high standards of propriety and corporate governance are observed at all times;
- establishing the overall direction of the FLA within the policy and resources framework agreed with the Secretary of State; and
- overseeing the delivery of planned results through the monitoring of performance against objectives.

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12. No Member declared any directorships or interests that might conflict with their responsibilities at the FLA. Copies of the Register of Members' Interests are available on request.

13. Our management staff are:

John de Quidt	Chief Executive and Accounting Officer
Keith Sears	Safety policy, human resources and communications
Guy Longhorn	Finance, Office Manager, IT
Nikki Rutherford	Licensing, safety casework and information
Jason Clotworthy	Website, IT services, financial support
Stephen Podd	Administrative support

14. Our Inspectors and the local authorities in relation to which they have primary responsibility are as follows:

**Malcolm Collier MBA FIFireE**

Brighton and Hove, Croydon, Greenwich, Hammersmith and Fulham, Hampshire, Hounslow, Lewisham, Medway, Portsmouth, Reading, Southampton

**Lou Elliston MA**

Barking and Dagenham, Barnet, Brent (lead), Buckinghamshire, Essex, Haringey, Hertfordshire, Islington, Luton, Milton Keynes, Newham, Southend-on-Sea, Suffolk, Waltham Forest

**Martin Girvan BSc MILAM**

Birmingham, Coventry, Leicester, Lincolnshire, Norfolk, Nottingham, Nottinghamshire, Northamptonshire, Peterborough, Sandwell, Walsall, Wolverhampton

**John Perkins**

Bournemouth, Bristol, Cardiff, Devon, Gloucestershire, Herefordshire, Plymouth, Somerset, Swansea, Swindon

**Rick Riding MRICS MIFireE MBEng MBA**

Blackburn with Darwen, Blackpool, Bolton, Cumbria, Darlington, Hartlepool, Lancashire, Middlesbrough, Newcastle upon Tyne, Sunderland

**Ian Smith MRICS DMS MCIM**

Barnsley, Bradford, Derby, Derbyshire, Doncaster, Kirklees, Kingston-upon-Hull, Leeds, North East Lincolnshire, North Lincolnshire, Rotherham, Sheffield, Stoke-on-Trent

**Norman Whibley**

Bury, Cheshire, Liverpool, Manchester, Oldham, Rochdale, Shropshire, Stockport, Trafford, Wigan, Wirral

15. During the course of the year, one of our Inspectors, John Levison, died following a prolonged illness. He is much missed. In addition, three of our Inspectors, David Beaumont, Jim Froggatt and Geoff Wilson have retired since our last annual report.

16. The Chief Executive and staff are covered under the provisions of the Principal Civil Service Pension Scheme for which greater detail is provided in Note 9 of the Notes to the Accounts.

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17. We have long been formally committed to a policy of equal opportunity for all our staff, regardless of their ethnic origin, religious belief, gender, sexual orientation, disability or any other irrelevant factor. We monitor the numbers from each racial group who have applied for appointment and training. We maintain procedures to ensure that selection for posts is based entirely on merit. All members of staff are routinely consulted about matters that may affect their roles, workloads or terms and conditions.

18. We have always supported the Better Payment Practice Code and its predecessor. In every case during the past year we have paid in full within the previously-agreed period, subject only to satisfactory performance by the supplier and the timely presentation of an accurate invoice. At the end of the year there were no outstanding invoices for payment from trade creditors.

## Strategic priorities

19. The following achievements should be seen in the context of our five strategic priorities based upon our funding agreement for 2006-2008.

### a. Safety certification

To ensure by means of education, guidance, assistance and monitoring that the local authorities undertake safety certification to a consistent and acceptable standard; in the long term, to enable these authorities to reduce their involvement as clubs take more responsibility for safety.

- A key element of our keeping under review how local authorities issue, monitor, enforce and amend safety certificates is our rolling audit of their records and audit trails, with a particular focus on their procedures and on the reasonableness of their decisions. This year we have concentrated on their checks of steward training records and on ensuring that each safety certificate requires all stewards to be trained, assessed and qualified within twelve months of starting work.
- Although we are empowered to require a local authority either to provide us with specified information or to insert particular conditions in the safety certificate, we have always found it more effective to identify and promulgate good practice at both the national and, through personal contact, the local level. This is often best achieved by attending meetings of the local authority's Safety Advisory Group ("SAG") meetings as invited observers.
- These bring together the local authority itself, the building authority, the police, fire and ambulance services, representatives of the club (and in some cases of the supporters) and other interested parties. They provide us with an invaluable forum for promoting safety awareness and fostering team working. In 2007/08, we attended 253 SAG meetings of the local authorities that we oversee.
- Inspecting grounds on match days enables us to check the relevance of the safety certificate and whether and how it is being enforced, as well as observing the relationships between the different agencies at first hand. In 2007/08, we attended 259 designated matches in our official capacities.
- The best indicator of success is when we do not have to intervene, either because all is in order or because the local authority is well on top of the matter. In 2007/08 we provided proactive advice and guidance to the local authority in respect of spectator safety at ten grounds (as compared with nine in 2006/07).
- During the course of the year, local authorities imposed (or retained) reduced capacities (albeit in some cases only temporarily) at seven grounds, as compared with 14 in 2006/07, because of their poor physical condition, inadequate safety management or both. One of these grounds has a long-standing prohibition notice on the use of one of its stands.



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## b. Spectator accommodation

To maintain and build on the achievements of the government's policies on spectator accommodation.

- In the light of our consultations with the relevant local authorities and clubs, the Secretary of State considered applications from Cardiff City and Plymouth Argyle for extensions of the deadlines for making their grounds all seated. We impose these deadlines as licence conditions, pursuant to an Order by the Secretary of State.
- The Secretary of State granted Cardiff City a conditional extension on the basis that its new ground was under construction. This was subject to a review of progress by the end of the year. We undertook this in January 2008 and were able to confirm that work was proceeding on schedule. The Secretary of State rejected the application from Plymouth Argyle for extra time to complete the redevelopment of its ground. She decided that her Order should also cover the licence for Milton Keynes Dons' new ground on the basis that this club was already required to play at an all-seated ground.
- The number of all-seated Premiership, Football League and international football grounds rose to 72, following the completion of the new ground for Shrewsbury Town. Construction of Colchester United's new ground is well underway.
- On 24th October the Minister for Sport publicly reaffirmed both the government's all-seater policy and its opposition to persistent standing in seated areas. He emphasised that responsibility for addressing the issue of persistent standing lay with the clubs and, above them, with the local authorities. For their part, the football authorities have taken responsibility for collecting, collating and distributing statistical information about the incidence of such standing.
- We reminded local authorities that they should require any club that had reason to believe that spectators might stand persistently to produce an event specific risk assessment and a management plan for addressing this issue. In the light of these, the local authority should identify whether and, if so, what further action the club (or, failing that, the local authority itself) should take to secure the reasonable safety of spectators.
- We completed the 2008 licensing round on schedule. We issued all 94 licences in early July. We did not refuse or revoke any licences. Nor did we insert any conditions beyond those necessary to enforce the policies on seating and standing accommodation and those governing inspection, which are mandatory under the Football Spectators Act 1989. In the course of our match visits, we monitored all clubs' compliance with the terms of their licences. We observed no breaches; nor were any drawn to our attention.

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### c. Spectator safety

To bring about a permanent change of culture whereby consistently high standards of safety are maintained at every Premiership, Football League and international football ground by the clubs or ground on their own initiative rather than in response to requirements imposed by other bodies.

- In July 2007 we circulated a draft fifth edition of the Guide to Safety at Sports Grounds (“the Green Guide”) for consultation. Having taken all comments into account, we submitted the final draft to DCMS for approval and publication in February 2008. This project has attracted considerable interest overseas. The international football authorities (UEFA) and several countries have indicated that they intend to apply all or part of the revised guidance.
- We have produced a first draft of our proposed guidance on safety management. However, this has been delayed by sickness among our inspectorate.
- There are currently five awarding bodies offering qualifications in spectator safety at NVQ (national vocational qualification) or VRQ (vocational related qualification) level 2 which may be awarded to stewards. We are aware of 9,254 registrations for the NVQ in spectator safety since January 2007 and of 4,509 who have completed their training, assessment and qualification. We shall be focusing as a priority on this area with the awarding bodies over the coming months.
- We have agreed with the sector skills council the revised National Occupational Standards and the competences and learning outcomes necessary to obtain qualifications at level 3 (supervisors) and level 4 (safety officers). We are now working with the Emergency Planning College (“EPC”) and our football partners to identify suitable training for safety officers that takes due account of prior learning.
- It is also necessary to monitor the competence and performance of safety officers and stewards over time, for example testing clubs’ contingency plans. We are aware of exercises at 93 grounds during the 2007/08 financial year. One club has deferred its exercise until after the opening of its new ground.
- 2006/07 saw a further substantial fall in the number of spectators seeking treatment for injuries sustained at the ground. While this is most encouraging, the figures should as always be treated with a degree of caution. We have observed that not all injured spectators seek treatment and we cannot guarantee that all the cases treated have been reported to us. Moreover, spectators are under no obligation to report the circumstances in which they sustained the injury.
- Subject to these caveats, the headline figures are as follows. For the first time since we began collating responses, fewer than 1,000 spectators were reported as having been treated for injuries sustained at the ground. The reported injuries were down by 19% from 1,191 (one injury per 30,837) in 2005/06 to 964 (one injury per 38,558) in 2006/07. The number of injured spectators taken to hospital fell even more substantially from 65 in 2005/06 to 42 in 2006/07.

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#### d. Wider advisory role

To maintain and enhance the position of the FLA as the leading authority on ground safety and standards at home and overseas and as the prime source of advice and assistance to government, local authorities, clubs and other bodies.

- Ministers have decided that our remit should be extended to the giving of advice – on request – in respect of spectator safety at grounds in the Football Conference and pyramid leagues and in other sports. This change will require primary legislation. In the meantime we are continuing to respond to all reasonable requests for general information on safety and standards, to the extent that our powers and resources permitted.
- In this context we are attending as an invited observer the meetings of the SAG established by the five London boroughs who will be hosting the main Olympic events in 2012. We have also contributed general guidance on issues, such as facilities for disabled spectators.
- On behalf of DCMS we have continued to monitor spectator safety and to provide the Chair of the SAG for Ascot Racecourse (historically deemed to be Crown premises.) Following a review, we are helping to facilitate the transfer of these responsibilities to the local authority.
- We are optimistic that the Working Group on Dynamic Performance will publish its final report shortly. We have agreed with the sponsoring parties that any requirement for testing of new grandstands will be imposed through the building regulations. We shall draw the Working Group's recommendations on the testing of existing grandstands to the attention of the local authorities to ensure they act in accordance with due process.
- We are providing a series of courses on Public Safety at Sports Grounds and Events with the Emergency Planning College and have jointly presented a similar course in Northern Ireland. We have launched a new series of joint courses on Working in SAGs and are collaborating on developing further training.
- Overall we participated in 13 national or international committees or working parties. We assisted with visits by delegations from Austria and Switzerland, France, Lithuania and Romania. We addressed 18 national or international conferences or seminars. The feedback has invariably been positive.
- Over the course of the year we have worked closely with the Football Safety Officers' Association, the National Association of Disabled Supporters and the Football Stadia Improvement Fund at both the national and local level. We value the opportunity to participate in the Association of Chief Police Officers' end of season conference and to speak at ground commander training courses.
- Internationally, we have contributed extensively to the work of the Comité européen de Normalisation ("CEN") Committee on the production of European Standards and with the Council of Europe on the evolution of good practice especially on safety and customer care. In each case we have ensured that the outcome is consistent with the arrangements in this country.

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## e. Management issues

To perform effectively, efficiently, economically and with absolute probity in line with best practice on corporate governance and risk management.

- We agreed our new Funding Agreement for 2008/09 – 2010/11, together with our revised management statement and financial memorandum, with DCMS. We submitted all our planning documents (the 2006/07 annual review of performance, 2007 annual report, 2008 risk register and 2008/09 annual business plan) to DCMS by the required target dates. No concerns have been expressed on any of them.
- We received six requests for information under the Freedom of Information Act. All related to persistent standing in seated areas and/or to our injury statistics. We responded to all six within the period prescribed in the Act, though in two cases we had to send interim replies because the information was not yet available.
- We remain committed to the highest standards of probity, courtesy and helpfulness, in accordance with our published Code of Practice. We received no formal complaints during the year about the performance of our members or staff on matters within our remit, though we received a number of complaints from supporters about either particular clubs or the government's policy on seating.
- We had been aware for some time that the proposed modification of our role was likely to have some impact on the structure and tasks of parts of the organisation, in particular our front line inspectorate. We therefore took the opportunity of the impending retirement of several inspectors to launch a review of their numbers, grading and functions. This is still underway.
- The Board approved our formal business continuity plan in November 2007. This encompasses the possible loss of one or more key staff, of our computer network and/or of our premises. Our resilience was tested when we had to cover for two inspectors who were simultaneously absent on sick leave for prolonged periods, one of whom subsequently died. Inevitably this led to some tasks being delayed.
- In the course of a review of our health and safety at work policies we identified that further consideration should be given to our inspectors' home environment, their travel by car and their work outside their homes (in particular during ground and match visits). This is underway. These matters apart, we concluded that our existing policies were robust and could remain as they were, there having been no changes in regulations or working practices that required them to be revised.
- As in previous years, we offered two students from two schools in different London boroughs short periods of work experience. These proved highly successful.
- For a more detailed account of our activities during the year, see our Annual Review of Performance on our website [www.flaweb.org.uk](http://www.flaweb.org.uk).

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## Meeting our key targets

20. In the context of our funding agreement and having regard to our annual risk register, we identified five key priorities for 2007/08.

### Priority

1  
Monitor each local authority's procedures, performance and audit trails on safety certification.

### Outturn

Checks of steward training records audited.  
Further audits to be launched once staff vacancies filled.

2

Persuade football authorities and clubs to accept responsibility, in partnership with local authorities, for eliminating persistent standing by their supporters, in particular away from home, through national and local measures.

Ministers decided clubs should take the lead under oversight of local authorities. Based on risk assessments / management plans. Formal policy circulated.

Background information collected and circulated by football authorities.

3

Produce new edition of Green Guide and FLA guidance on safety management.

Green Guide submitted to DCMS in February and published 04 June 2008.

Safety management at first draft stage.

4

Identify with DCMS whether and how the FLA can be given a wider regulatory or advisory role in respect of lower league football and other sports, in particular the 2012 Olympic Games, in England and Wales and (where requested) elsewhere.

Private Member's Bill introduced but failed to secure Second Reading.

5

Ensure that the FLA can remain operational following the loss of staff, premises or equipment.

Business continuity plan agreed.

Losses of staff overcome but at cost of failure to meet certain objectives.

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## Highlights of the year

21. These were the main highlights of the year:

- reviewing and redrafting the Green Guide; we submitted the draft Fifth Edition, on which we consulted extensively, to DCMS in February 2008.
- establishing joint training courses with the Emergency Planning College.
- launching our review of how to replace the current system of top down prescription by local authorities with one based on risk assessment by the ground management.

22. Our other achievements have included:

- ensuring that safety certificates require all stewards who were in post last August to be fully trained, assessed and qualified by the end of the current season;
- advising the Secretary of State on the applications from Cardiff City and Plymouth Argyle for an extension of the all-seater deadline;
- agreeing with the football authorities that they will collate and circulate detailed information on persistent standing in seated areas;
- securing the agreement of DCMS, the local authority and other parties that the responsibility for the safety certification of Ascot Racecourse should pass to the local authority;
- establishing a close liaison with the local authorities for the main Olympic sites;
- agreeing with the Institute of Structural Engineers (“ISE”), the Department of Communities and Local Government (“DCLG”) and DCMS our role in promulgating the report of the Working Group on Dynamic Loading (due to be published shortly);
- producing a detailed business continuity plan;
- complying fully with the Freedom of Information Act, our own Code of Practice and the requirements of good corporate governance.

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## Developments since 1 April 2008

23. The fifth edition of the Green Guide (the guide to Safety at Sports Grounds) was published on 4 June.

24. The Secretary of State has agreed to allow Cardiff City one further extension of the all-seater deadline on the basis that construction of its new ground is proceeding on schedule.

25. Swansea City and Doncaster Rovers have secured promotion to the Football League Championship. Both play in recently-built all seated grounds. The Secretary of State has decided that the all-seater requirement should apply immediately because there is no need to defer it for three years.

26. The Chief Executive was elected Vice-Chair of the (Council of Europe) Standing Committee of the European Convention on Spectator Violence and Misbehaviour at Sports Events and in particular at Football Matches for two years. He remains a member of the Steering Committee.

JOHN DE QUIDT  
Chief Executive

2 July 2008

# Remuneration report

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## Statement of policy on the remuneration of senior members

1. For the purposes of the Remuneration report, the senior managers of the Football Licensing Authority are the Chairman, Board members and the Chief Executive. All emolument figures below have been audited by the National Audit Office.

### Chairman

2. The Chairman is appointed by the Secretary of State for a 3 year term. Chairmen can only be re-appointed for one further period of 3 years. On 16 April 2006, the Chairman was so re-appointed for his second period of office.

3. The Chairman's salary of £17,340 for the year is based on a commitment of 1 day a week and any increases are authorised by the Senior Salaries Review Body.

4. The Chairman receives normal travel and subsistence expenses as required but does not receive any benefit in kind.

5. The Chairman's post does not carry any entitlement to pension.

### Board Members

6. Board members are likewise appointed by the Secretary of State for a 3 year term and may only serve a maximum of two periods of 3 years each.

7. Board members are paid a daily fee as authorised by DCMS and increases are authorised by the Senior Salaries Review Body.

8. Board members receive normal travel and subsistence payments where appropriate but do not receive any benefit in kind.

9. Board members do not have any provision for an FLA pension.

10. Details of the current year's emoluments paid to Board Members are as follows:

Board Member	Emoluments £
Mr B Batson	2,550
Miss P Carvell	1,785
Dr J Dickie	4,845
Mr J Garner	3,315
Dr B Robertson	1,275
Ms J Summerell	4,080
Mr J Woodrow	2,040



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## Chief Executive

11. The Chief Executive is a senior civil servant on loan to the FLA and is required to give 3 months notice. As such he receives a salary authorised by the DCMS Senior Civil Service Pay Committee. DCMS have the final responsibility for determining the basis and amount of the pay award and performance bonus, which is based on agreed performance indicators.

12. The Chief Executive does not receive any benefit in kind.

13. The Chief Executive, as a senior civil servant, is eligible for a pension provided by the Principal Civil Service Pension Scheme. The scheme is an unfunded multi-employer benefit scheme. Employers contributions are assessed by the Scheme Actuary and are based on a percentage of pensionable pay, according to pay bands.

14. Full details of the Chief Executive's pay and pension costs are as follows:

	2008	2007
Salary Details	£	£
Salary	73,857	72,105
Performance Bonus	10,000	8,000
Pension Details	£ (k)	£ (k)
Real increase in pension at 60	0-2.5	0-2.5
Real increase in pension lump sum at 60	0-2.5	0-2.5
Pension at 31st March 2008	30-35	25-30
Lump sum at 31st March 2008	90-95	85-90
Cash equivalent transfer value at 31st March 2007	633	607
Cash equivalent transfer value at 31st March 2008	723	633
Employees contributions and transfers-in	0-2.5	0-2.5

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## Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (“CETV”) is the actuarially assessed, capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member’s accrued benefits and any contingent spouse’s pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement, which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction in benefits resulting from Lifetime Allowance Tax, which may be due when pension benefits are drawn.

## Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

JOHN DE QUIDT  
Chief Executive

2 July 2008

## Statement of responsibilities of the Football Licensing Authority and its Chief Executive with respect to the accounts

Under paragraph 23 of Schedule 2 to the Football Spectators Act 1989 the Football Licensing Authority is required to prepare a statement of accounts for each financial year in the form and on the basis directed by the Secretary of State, with the approval of the Treasury. The accounts are prepared on an accruals basis and must show a true and fair view of the state of affairs of the Football Licensing Authority at the year end and of its income and expenditure and cash flows for the financial year.

In preparing the accounts the Board and Accounting Officer are required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the accounts direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts;
- prepare the accounts on a going concern basis, unless it is inappropriate to assume that the Football Licensing Authority will continue in operation.

The Chief Executive has been designated by the Accounting Officer for the Department for Culture, Media and Sport as the Accounting Officer for the Football Licensing Authority. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances for which he is answerable and for the keeping of proper records, are set out in Managing Public Money.

JOHN DE QUIDT  
Chief Executive

2 July 2008

# Statement on Internal Control

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## 1. Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Football Licensing Authority's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money and ensuring compliance with the requirements of the FLA's Management Statement and Financial Memorandum and schedules 1 and 2 to the Secretary of State's Accounts Direction.

## 2. The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the FLA's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. Such a system of internal control has been in place in the Football Licensing Authority for the year ended 31st March 2008 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

## 3. The capacity to handle risk

As Accounting Officer I undertake a full risk management review each year as the first stage of the FLA's planning cycle. This examines both the "risks" to the FLA from its policies and operations and those related to its constitution and internal management. The review sets out the chain of responsibility within the FLA for the management of risk. The review is then presented to the Board for their endorsement.

In this context, "risks" include hazards, uncertainties and opportunities. In practice, however, most of the risks confronting the FLA are potentially negative. Given the government, media and public's general attitude to safety, the FLA has to adopt a generally risk averse approach.

## 4. The risk and control framework

As part of its oversight of spectator safety at football grounds that host designated matches, the FLA is required to manage risks which may have an impact upon the public. In this context it ensures that local authorities issue, monitor, review and enforce safety certificates to a reasonable standard. Its Inspectors undertake frequent visits to grounds both on match days and when they are empty to ensure that each club takes its responsibility for spectator safety seriously.

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The FLA's management of risk is embedded in policymaking, planning and delivery as follows:

- looking at how the activities of those with a role in ensuring the reasonable safety of spectators, namely the government, the FLA itself, the local authorities and ground management, affect the FLA; and
- following a business risk management plan which identifies, analyses and evaluates by subject area the specific risks to the FLA arising from the responsibilities or activities of these bodies (and also from the media and the public who have no responsibilities but can affect the FLA).

#### 5. Review of effectiveness

As Accounting Officer, I also have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system control is informed by the work of the internal auditors and the FLA's executive managers who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letters and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the FLA Board and the Audit Committee and plan to address weaknesses and ensure continuous improvement of the system is in place.

For the year 2007/08 the FLA's Internal Auditors carried out a review of the FLA's financial systems and safety certification. They made a number of recommendations and these are being addressed over the current financial year.

The FLA's Audit Committee met twice during the year to discuss the issues raised by both the Internal and External Auditors and to agree the audit plans for the coming year.

The FLA does not hold any confidential personal information other than that relating to its own staff.

JOHN DE QUIDT  
Chief Executive

2 July 2008

# Certificate and Report of the Comptroller and Auditor General

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## Football Licensing Authority

### The Certificate and Report of The Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements of the Football Licensing Authority for the year ended 31 March 2008 under the Football Spectators Act 1989 (as amended by the Government Resources and Accounts Act 2000). These comprise the Income and Expenditure Account, the Balance Sheet, the Cashflow Statement and Statement of Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

#### **Respective responsibilities of the Authority, Chief Executive and Auditor**

The Authority and Chief Executive as Accounting Officer are responsible for preparing the Annual Report, the Remuneration Report and the financial statements in accordance with the Football Spectators Act 1989 as amended and the Secretary of State for Culture Media and Sport's directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of the Authority's and Chief Executive's Responsibilities.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Football Spectators Act 1989 as amended and the Secretary of State for Culture Media and Sport's directions made thereunder. I report to you whether, in my opinion, certain information given in the Annual Report, which comprises the Chief Executive's Report and Management Commentary, is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In addition, I report to you if the Football Licensing Authority has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Football Licensing Authority's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the Football Licensing Authority's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the other sections of the Chief Executive's report and Management Commentary included in the Annual Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

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## **Basis of audit opinion**

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgements made by the Football Licensing Authority and Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Football Licensing Authority's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

## **Opinions**

Audit Opinion

In my opinion:

- the financial statements give a true and fair view, in accordance with the Football Spectators Act 1989 (as amended) and the Secretary of State for Culture Media and Sport's directions made thereunder, of the state of the Football Licensing Authority's affairs as at 31 March 2008 and of its deficit for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Football Spectators Act 1989 (as amended) and the Secretary of State for Culture Media and Sport's directions made thereunder; and
- information given within the Annual Report, which comprises the Chief Executive's Report and Management Commentary included within the Annual Report, is consistent with the financial statements.

## **Audit Opinion on Regularity**

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

## **Report**

I have no observations to make on these financial statements.

T J Burr  
Comptroller and Auditor General  
National Audit Office  
151 Buckingham Palace Road  
Victoria, London SW1W 9SS

11 July 2008

## Income and Expenditure Account for the year ended 31 March 2008

	Notes	£	2008 £	£	2007 £
<b>Income</b>					
Sale of publications			1,007		1,657
			<u>1,007</u>		<u>1,657</u>
<b>Expenditure</b>					
Salaries and wages	4	867,041		851,231	
Other operating payments	3	338,059		315,241	
Depreciation	5	17,117		15,971	
<b>Operating Expenditure</b>			<u>1,222,217</u>	<u>1,182,443</u>	
<b>Net Expenditure</b>			<b>(1,221,210)</b>	<b>(1,180,786)</b>	
Interest receivable			<u>7,069</u>	<u>2,721</u>	
<b>Net Expenditure after interest before notional costs</b>			<b>(1,214,141)</b>	<b>(1,178,065)</b>	
<b>Notional Costs</b>					
Capital charge	1		<u>(4,889)</u>	<u>(4,140)</u>	
<b>Net Expenditure after notional costs</b>			<b>(1,219,030)</b>	<b>(1,182,205)</b>	
Removal of capital charge			<u>4,889</u>	<u>4,140</u>	
<b>Net Expenditure for the financial year</b>			<b>(1,214,141)</b>	<b>(1,178,065)</b>	

The Authority had no other recognised gains or losses during the year (2007:nil). All operations were continued throughout the year and no operations were acquired or discontinued.

The notes on pages 27 to 32 form part of the Accounts



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## Balance Sheet as at 31 March 2008

	Notes	£	2008 £	£	2007 £
Fixed Assets	5				
Tangible Assets			19,094		36,211
Current Assets					
Debtors	6	49,037		50,747	
Cash at bank and in hand	12	206,418		129,532	
		<u>255,455</u>		<u>180,279</u>	
Creditors: amounts falling due within 1 year	7	<u>111,428</u>		<u>100,228</u>	
Net current assets			<u>144,027</u>		<u>80,051</u>
Total net assets			<b>163,121</b>		<b>116,262</b>
Represented by:					
Reserves	8		163,121		116,262

JOHN DE QUIDT  
Chief Executive

2 July 2008

The notes on pages 27 to 32 form part of the Accounts

## Cash Flow Statement for the year ended 31 March 2008

	Notes	2008 £	2007 £
Net cash outflow from operating activities	11	(1,191,183)	(1,105,960)
Returns on investments and servicing of finance			
Interest received		<u>7,069</u>	<u>2,721</u>
Net cash inflow from returns on investments and servicing of finance		7,069	2,721
Capital expenditure			
Purchase of fixed assets		<u>0</u>	<u>(6,833)</u>
Net cash outflow from capital expenditure		0	(6,833)
Financing			
Grant in Aid – revenue expenditure		1,261,000	1,167,167
Grant in Aid applied towards purchase of fixed assets		<u>0</u>	<u>6,833</u>
Net cash inflow from financing		<u>1,261,000</u>	<u>1,174,000</u>
Increase in cash	12	76,886	63,928

The notes on pages 27 to 32 form part of the Accounts

## 1. Accounting Policies

### Accounting Convention

The accounts are drawn up in a form directed by the Secretary of State and approved by the Treasury. A copy of the Accounts Direction can be obtained on request from the Football Licensing Authority 27 Harcourt House 19 Cavendish Square London W1G 0PL. These accounts are prepared under the modified historic cost convention and in accordance with applicable accounting standards. The difference between the asset value based on the historic cost and that derived from using modified historical cost accounting is immaterial.

### Government Grants

Grant in Aid received to finance activities and expenditure which support the statutory and other objectives of the FLA is treated as financing credited to the General Reserve because it is regarded as a contribution from a controlling party. Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme. The defined benefit schemes are unfunded and non-contributory except in respect of dependent's benefits.

### Depreciation

Depreciation has been provided on the straight line method so as to write off the cost of each asset in equal instalments over the estimated useful life. The rates used were as follows:

Fixtures and fittings	- 10%
Plant and machinery	- 25%

### Operating Leases

Operating lease rentals are charged to the profit and loss account in the period to which they relate.

### Fixed Assets

Assets above £500 are capitalised. These are shown at historic cost price. The difference between the asset value based on the historic cost and that derived from MHCA is immaterial. The Board Members are of the opinion that the value of the fixed assets is not materially different from the net current replacement cost of the assets.

### Notional Costs

In accordance with the Accounts Direction, the accounts include a charge for notional cost of capital.

A 3.5% interest rate was applied to the average capital employed during the year.

### Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme. The defined benefit schemes are unfunded and non-contributory except in respect of dependent's benefits.

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## 2. Income from activities

	<b>2008</b>	<b>2007</b>
	£	£
Fees collected on behalf of DCMS	9,400	9,500

The FLA charges for the issue of licences to admit spectators to watch designated football matches. In the year ended 31 March 2008 94 licences were issued to clubs/stadia for a fee of £100 each. In accordance with the FLA's Financial Memorandum, these fees have been paid into the Consolidated Fund via the Department for Culture, Media and Sport and are therefore not recognised as income in the FLA's accounts.

## 3. Other Operating Expenditure

	<b>2008</b>	<b>2007</b>
	£	£
This is stated after charging:		
Travel and subsistence*	105,093	95,646
Rent and rates	92,836	89,227
Training and recruitment	17,473	7,604
Accommodation, cleaning, heating and lighting	30,246	26,766
External audit fees	6,200	6,000
Internal audit fees	11,879	6,165
Other professional fees	14,510	25,387
Postage and telephone	19,621	20,018
Office supplies, printing and stationery	38,634	38,428
Corporation Tax	1,567	0
Total other operating payments	<b>338,059</b>	<b>315,241</b>

\*includes Board Member travel and subsistence

## 4a. Board Members' Remuneration

	<b>2008</b>	<b>2007</b>
	£	£
Fees	37,230	26,648
Employer's N.I. Contributions	2,451	1,978
	<b>39,681</b>	<b>28,626</b>

#### 4b. Staff Costs

	2008	2007
	£	£
Wages and salaries (FLA staff)	593,473	576,723
Wages and salaries (seconded staff)	50,939	56,662
Employer's N.I. Contributions	52,232	54,373
Accruing superannuation liability charges	130,716	134,847
	<u>827,360</u>	<u>822,605</u>

The average number of staff during the financial year was as follows:

	No.	No.
FLA staff (excluding Chief Executive)	12	13
Seconded staff	2	2

#### 5. Tangible fixed assets

	Plant and Machinery	Fixtures and fittings	Total
	£	£	£
Cost:			
At 1 April 2007	80,403	24,004	104,407
Additions	0	0	0
Disposals	0	(1,137)	(1,137)
At 31 March 2008	<u>80,403</u>	<u>22,867</u>	<u>103,270</u>
Depreciation:			
At 1 April 2007	60,200	7,996	68,196
Provided during year	14,830	2,287	17,117
Disposals	0	(1,137)	(1,137)
At 31 March 2008	<u>75,030</u>	<u>9,146</u>	<u>84,176</u>
Net book value:			
At 31 March 2007	20,203	16,008	36,211
At 31 March 2008	5,373	13,721	19,094

N.B. The value of the assets is based under the historic cost convention. The difference between this valuation and that derived from using the Modified Historic Cost Accounting convention is immaterial.

<b>6. Debtors</b>	<b>2008</b>	<b>2007</b>
	£	£
Prepayments	48,916	50,703
Other debtors	121	44
	<u>49,037</u>	<u>50,747</u>
<b>7. Creditors : amounts falling due within one year</b>	<b>2008</b>	<b>2007</b>
	£	£
Accruals	111,428	100,228
<b>8. Movement on reserves 2007-08</b>	<b>2008</b>	<b>2007</b>
	Reserves	Reserves
	£	£
<b>At 1 April 2007</b>	116,262	120,327
Net Expenditure	(1,214,141)	(1,178,065)
Grant in Aid received towards resource expenditure	1,261,000	1,167,167
Grant in Aid received towards purchase of assets	0	6,833
At 31 March 2008	<u>163,121</u>	<u>116,262</u>

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## 9. Pensions

The Civil Service Pension Schemes are unfunded multi-employer defined benefit schemes of which the FLA is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)).

For 2007-08, employers' contributions of £130,716 were payable to the PCSPS (2006-07 £134,847) at one of four rates in the range 19.5 to 25.5% (2006-7 were also between 19.5% and 25.5%) of pensionable pay, based on salary bands. The Scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The salary bands and contribution rates were revised for 2005-06 and will remain unchanged until 2008-09.

The contribution rates reflect benefits, as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employees joining after 1 October 2006 could opt to open a partnership pension account, a stakeholder pension with an employer contribution. No member of staff has taken up this option to date.

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a 'final salary' scheme (**classic**, **premium** or **classic plus**); or a 'whole career' scheme (**nuvos**). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus** and **nuvos** are increased annually in line with changes in the Retail Prices Index (RPI). Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a good quality 'money purchase' stakeholder pension with a significant employer contribution (**partnership pension account**). Employee contributions are set at the rate of 1.5% of pensionable earnings for **classic** and 3.5% for **premium**, **classic plus** and **nuvos**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is essentially a hybrid with benefits in respect of service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 calculated as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with RPI. In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004. The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus** and 65 for members of **nuvos**. Further details about the Civil Service pension arrangements can be found at the website [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)

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## 10. Operating lease commitments

	2008		2007	
	£	£	£	£
	Land and Buildings	Other	Land and Buildings	Other
Amounts due for leases expiring within:				
One year	0	1,478	0	0
Two to five years	71,675	0	70,500	1,478
Over five years	0	0	0	0
	<u>71,675</u>	<u>1,478</u>	<u>70,500</u>	<u>1,478</u>

## 11. Reconciliation of operating deficit to net cash outflow from operating activities

	2008	2007
	£	£
Net Expenditure for financial year	(1,221,210)	(1,180,786)
Depreciation charge	17,117	15,971
(Decrease)/Increase in debtors	1,710	(2,335)
Increase in creditors	11,200	54,470
Decrease in stock	0	6,720
Net cash outflow	<u>(1,191,183)</u>	<u>(1,105,960)</u>

## 12. Analysis and reconciliation of net funds

	2008	2007
	£	£
Cash at bank and in hand at 1 April	129,532	65,604
Cash inflow/outflow in year	<u>76,886</u>	<u>63,928</u>
Cash in hand and at bank at 31 March	206,418	129,532



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### **13. Capital commitments**

At 31 March 2008 there were no capital commitments contracted for or authorised (31 March 2007 – nil)

### **14. Financial Instruments**

FRS 13, Derivatives and other financial instruments, requires disclosure of the role financial instruments have had during the year in creating or changing the risks the Authority faces in undertaking its activities.

The Football Licensing Authority has no borrowings and relies primarily on departmental grants for its cash requirements, and is therefore not exposed to liquidity risks. It also has no material interest from deposits, and all material assets and liabilities are denominated in sterling, so it is not exposed to interest rate risk or currency risk.

### **15. Related Party Transactions**

The Football Licensing Authority is a Non Departmental Public Body of the Department for Culture, Media and Sport which is regarded as a related party. During the year the Football Licensing Authority has received grant in aid of £1,261,000 from the Department for Culture, Media and Sport. The Football Licensing Authority has in turn forwarded £9,400 in licence fee receipts to the Department for Culture, Media and Sport for payment into the Consolidated fund. The Football Licensing Authority has had no material transactions with any other related party.

During the year, none of the Board Members, members of the key management staff or other related parties has undertaken any material transactions with the Football Licensing Authority. Apart from the income transactions, there were no other transactions with the DCMS.

The Football Licensing Authority had a number of transactions with the following body: the Department for Business, Enterprise and Regulatory Reform.

### **16. Post Balance Sheet Events**

The FLA approved the Annual Report and Accounts 2008 for issue on 11 July 2008. There were no post balance sheet events to report.

J R K DE QUIDT  
Chief Executive

2 July 2008





