

The Football Licensing Authority

Annual Report and Accounts 2006/2007



Football Licensing Authority



Football Licensing Authority

FOOTBALL LICENSING AUTHORITY

Report and Accounts 2007

GOVERNMENT RESOURCES AND ACCOUNTS ACT 2000

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 2007, 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

*Ordered by the House of Commons to be printed
19 July 2007*

© Crown Copyright 2007

The text in this document (excluding any Royal Arms and departmental logos) may be reproduced free of charge in any format or medium providing that it is reproduced accurately and not used in a misleading context. The material must be acknowledged as Crown copyright and the title of the document specified.

Any queries relating to the copyright in this document should be addressed to The Licensing Division, HMSO, St Clements House, 2-16 Colegate, Norwich, NR3 1BQ. Fax: 01603 723000 or e-mail: licensing@cabinet-office.x.gsi.gov.uk.

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
Management issues	12
Meeting our key targets	13
Highlights of the year	14
Developments since 1 April 2007	15

Remuneration report

Statements and reports	
Statement of responsibilities	18
Statement on internal control	19
Certificate and Report of the Comptroller and Auditor General	21

Accounts

Income and expenditure account	23
Balance sheet	24
Cash flow statement	25
Notes to the account	26

The Chief Executive's report

Introducing the FLA

1. We believe that all spectators, regardless of age, gender, ethnic origin, disability or the team that they support, should be able to attend sports grounds in safety, comfort and security. Some aspects of this, notably the provision of safe spectator accommodation and good safety management procedures, systems and personnel, fall clearly within our remit. Others form part of the wider scene, on which we work in partnership with the local authorities, the football authorities, clubs and safety officers, the police, disabled supporters' groups and other bodies at national and local level.

2. We were established in 1990 in the aftermath of the Hillsborough Disaster to ensure the implementation of the government's policy on the safety of spectators at grounds hosting designated football matches. Over time our role has become steadily less directive and more advisory. We are now focusing increasingly on monitoring the performance of the local authorities and on assisting them and the clubs to identify and resolve safety issues for themselves. In doing so, we all need to be alert to the dangers of complacency.

3. Our funding agreement for 2006 – 2008 lists our current 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.

4. From these we derive our strategic and current priorities. This report examines our performance and highlights our main achievements over the past year, most notably:

- the launch of our review of the Guide to Safety at Sports Grounds (“the Green Guide”);
- the developments in steward training and accreditation; and
- the issue of a new-style safety certificate for Ascot racecourse.

5. We have also been encouraged by the continuing downward trend in the number of spectators treated for injuries.

Corporate governance

6. 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.

7. 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.

8. 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.

9. The FLA Board Members during 2006/07 were:

Mr Anthony J Speed CBE QPM DL	Chairman
Mr Brendon Batson MBE	(appointed 8 January)
Miss Pamela Carvell	
Dr Jim Dickie	(appointed 8 January)
Mr John Garner OBE TD	(appointed 8 January)
Mr Trevor Hobday MRTPI FRSA	(retired 31 March)
Dr Brian Robertson OStJ TD MIEM	
Ms Julie Summerell	(appointed 8 January)
Mr John Woodrow MVO FCA	
Professor Jan Wright FRAeS CEng PhD	(retired 8 January)

10. 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.

11. 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.

12. Our management staff are:

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

13. At 31 March 2007, our Inspectors and the grounds in relation to which they had primary responsibility were as follows:

David Beaumont MA

Boston United, Ipswich Town, Leicester City, Lincoln City, Mansfield Town, Northampton Town, Norwich City, Nottingham Forest, Notts County, Peterborough United.

Malcolm Collier MBA FIFireE

Brentford, Brighton and Hove Albion, Charlton Athletic, Chelsea, Crystal Palace, Fulham, Gillingham, Millwall, Portsmouth, Queen's Park Rangers, Southampton, Wembley (shared with Lou Elliston).

Lou Elliston MA

Arsenal, Barnet, Colchester United, Leyton Orient, Southend United, Tottenham Hotspur, Watford, West Ham United, Wembley (shared with Malcolm Collier) plus lead on Ascot racecourse.

Jim Froggatt Dip.Arch Dip. Arch Cons FBEEng RIBA

Green Guide project leader.

Martin Girvan BSc MILAM

Aston Villa, Birmingham City, Coventry City, Hereford United, Luton Town, Milton Keynes Dons, Walsall, West Bromwich Albion, Wolverhampton Wanderers, Wycombe Wanderers.

John Levison MICE CEng

Accrington Stanley, Blackburn Rovers, Blackpool, Bolton Wanderers, Burnley, Bury, Manchester City, Preston North End, Stockport County, Wigan Athletic.

John Perkins

AFC Bournemouth, Bristol City, Bristol Rovers, Cardiff City, Cheltenham Town, Plymouth Argyle, Reading, Swansea City, Swindon Town, Torquay United, Yeovil Town (plus Millennium Stadium, Cardiff).

Ian Smith MRICS DMS MCIM

Barnsley, Bradford City, Chesterfield, Derby County, Doncaster Rovers, Huddersfield Town, Leeds United, Oldham Athletic, Rochdale, Rotherham United, Sheffield United, Sheffield Wednesday.

Norman Whibley

Chester City, Crewe Alexandra, Everton, Liverpool, Macclesfield Town, Manchester United, Port Vale, Shrewsbury Town, Stoke City, Tranmere Rovers, Wrexham.

Geoff Wilson MRICS

Carlisle United, Darlington, Grimsby Town, Hartlepool United, Hull City, Middlesbrough, Newcastle United, Scunthorpe United, Sunderland.

14. 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.

15. 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 staff are routinely consulted about matters that may affect their roles, workloads or terms and conditions.

16. 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

17. 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.

- In October 2006, we launched our audit of local authorities' monitoring of steward training records. By 31 March, we had completed the audit in respect of 26 authorities (overseeing 34 clubs) and almost completed it in respect of a further 23 authorities (overseeing 29 clubs).
- We provide much of our advice and assistance through personal contact at the meetings of the local authorities' Safety Advisory Groups ("SAGs"), of which we attended 281 as invited guests. The SAG brings together the local authority and other stakeholders to ensure a consistent approach and foster team working. We provided proactive advice in relation to nine grounds, in particular:
 - Portsmouth FC – where the ground had been allowed to deteriorate pending the proposed redevelopment;
 - Hereford United – where both the ground and the level of local authority oversight had deteriorated while the club was out of the Football League;
 - Chester City – where it was necessary to enhance the status of the safety certificate holder and the safety officer within the club;
 - Wolverhampton Wanderers – where we advised the local authority on the correct procedures to be followed in relation to the possible insertion of reasonable conditions in the safety certificate for the visit of Cardiff City FC.
- We also provided detailed safety advice to the local authority, clubs and football authorities on the number and location of visiting supporters from Tottenham Hotspur at Arsenal and advised the local authorities and clubs on the location of visiting supporters at Aston Villa, Coventry City and Notts County.
- During the course of the year, local authorities imposed (or retained) reduced capacities at 14 grounds because of their poor physical condition, inadequate safety management or both. A number of local authorities reduced the permitted capacity of the area allocated to visiting supporters for particular matches because of safety concerns over their anticipated behaviour. Various clubs also voluntarily reduced their capacities for this reason.

b. Spectator accommodation

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

- The number of all-seated Premiership, Football League and international football grounds rose to 69, following the completion of the new ground for Doncaster Rovers and the opening of the new Wembley stadium. This was partly offset by the relegation of Oxford United. Construction of the new grounds for Milton Keynes Dons and Shrewsbury Town was well underway.
- We completed the 2006 licensing round on schedule. 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.
- Cardiff City had been promoted to the Championship at the end of the 2002/03 season and was therefore due to go all seated by August 2006. However, the club applied for an extension of the deadline on the basis that it was actively planning to relocate to a new ground. Having considered all the material facts, the Secretary of State decided to grant the club a twelve-month extension of the deadline. In late February 2007, Cardiff City applied for a further extension of the deadline. We also received an application from Plymouth Argyle, which had been promoted to the Championship in 2004. We submitted our advice to the Secretary of State in late March.
- The Minister for Sport has continued to emphasise that the government's policy will remain unchanged unless or until convincing evidence is produced that the all-seater policy is no longer necessary. To date, no such evidence has been produced. For their part, the football authorities confirmed to the Minister for Sport that they did not want to return to standing on terraces.
- The responsibility for ensuring that spectators remain seated lies with the clubs. In exercising this, they need to recognise that this is not merely about safety. It also raises issues of crowd control, spectator behaviour and customer care. In the event of a major disaster, the liability of the football clubs and football authorities could be extensive. We have therefore continued to press the clubs and the football authorities to take responsibility. While we have made some progress on this, its impact has so far been disappointing.
- Local authorities may take action to reduce capacities on safety grounds, for example by requiring clubs not to sell tickets for seats adjacent to gangways or in the front rows of upper tiers on the basis of a risk assessment. This can reduce the safety risk but does not eliminate the problem. It is, however, not the ideal solution because it penalises the home club, even though it is more frequently the visitors who are standing. Nevertheless, we are exploring whether and if so what further measures could reasonably be taken through the safety certificate.

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.

- The Private Security Industry Act 2001 continued to occupy a disproportionate amount of our time until November, at the expense of our safety development work. Ministers eventually decided to remove all “in house” stewards at sports grounds with a safety certificate from the ambit of the Act. Throughout this period, we provided extensive advice to DCMS, the Home Office and the football authorities on matters such as the role and training of stewards, visiting and shared stewards and the impact of the Licensing Act 2003.
- We had always envisaged that it would be sensible to review the fourth edition of the Green Guide after ten years. In late October we consulted widely over whether and how it should be updated or improved. The responses confirmed our view that the fundamental principles and most of the content of the Guide remain valid. However, certain chapters require updating. We therefore drew up a critical path for revising the Guide, with the aim of producing a consultation draft by mid summer. Work is proceeding on schedule.
- We have restarted work on our proposed guidance on safety management, which had been severely delayed for the reasons mentioned above.
- We worked closely with the training and qualifications bodies on the development and approval of qualifications for stewards within the national qualifications framework. There are now three approved qualifications at level 2. We subsequently advised the local authorities to amend their safety certificates to require all stewards to be trained and assessed to this standard within a given period. No stewards should be deployed until they have undertaken all the necessary familiarisation and induction training; nor should they work unaccompanied until they have completed particular sections and have attended four matches as a steward.
- We contributed to the review of the national occupation standards for spectator safety at levels 3 and level 4. We are currently identifying the competences which we believe all safety officers should possess. We are aware that most safety officers bring at least some previous relevant skills and / or qualifications to the job.
- Our detailed analysis of the number of spectators treated for injuries during the 2005/06 season showed further significant improvements. The reported injury rate fell again – from one injury per 28,363 in 2004/05 to one injury per 32,449 in 2005/06. While overall attendances fell by 1%, the overall number of injuries treated fell by 13% from 1,377 to 1,191. Particularly encouraging was the fall in the number of injured spectators taken to hospital from 100 in 2004/05 to 65 in 2005/06. These figures should nevertheless be treated with caution. We are aware that not all injured spectators seek treatment.

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.

- We provided technical advice to DCMS about its draft consultation papers on whether, and if so how far, our oversight should be extended to the Football Conference's National Division and on whether we should be given a formal advisory role for other sports. The consultation periods are now closed and we await Ministers' decisions.
- Ascot Racecourse has historically been deemed to be Crown premises. Accordingly, DCMS, rather than the local authority, is responsible for the safety certification of the grandstand. Two of our Inspectors have acted as the chair and the technical assessor for the technical sub-group of the SAG that oversaw the major redevelopment of the racecourse. On behalf of DCMS we wrote a new-style safety certificate and provided a team of inspectors to monitor spectator safety at the first race meeting on 27 May 2006.
- We formally offered our services to DCMS and the Olympic Delivery Authority ("ODA") on the oversight of spectator safety during the 2012 Olympic Games. The five London boroughs hosting the main events have made preparations for the formation of an SAG for the Olympic Park at which they would welcome our participation. In neither case, have DCMS or the ODA yet responded.
- We have also provided general advice to the Northern Ireland authorities over the production of their own guidance on spectator safety, over steward training and over ground design, the latter in the context of a proposed new national stadium.
- As agents of the Emergency Planning College ("EPC"), two of our Inspectors undertook a detailed audit of the national football stadium and six other sports facilities in Bahrain. In their detailed report for the EPC, they identified a number of safety management issues that required addressing.
- We participated in 16 national or international committees or working parties plus several others at local level on new sports grounds. We helped host visits by delegations from France, Poland and Russia. We addressed 18 seminars in the UK, Czech Republic, France, Germany, Finland and Lithuania.
- We have developed a training course on "Public Safety at Sports Grounds and Events" jointly with the Emergency Planning College ("EPC"). This will be aimed at local authorities, clubs and emergency service personnel. We will provide speakers for some of the modules.
- We responded to a number of motions passed at the Football Supporters' Federation "Fans' Parliament". In particular, we investigated and replied on a number of cases where home supporters in an upper tier had dropped missiles onto visiting supporters below them. We also took action on a number of concerns about facilities for visiting supporters at particular grounds.

e. Management issues

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

- Our new funding agreement for 2006/07 – 2007/08 was signed by the Minister for Sport and our Chairman in April 2006. Additional funds had been approved for the anticipated further expansion of our role firstly into the Football Conference and thence into other sports. These role changes have not yet materialised. This led to a saving during the year of some £90,000 (on an accruals basis) against the original budget of £1.26 million.
- The net expenditure for the year was £1,178,065 (£1,132,197 2005/06) following a change in accounting policy to recognise grant in aid received for revenue purposes as financing rather than income.
- We submitted all of our planning documents (the 2005/06 annual review of performance, 2006 annual report, 2007 risk register and 2007/08 annual business plan) to DCMS by the required target dates. No concerns have been expressed on any of them. We have reached agreement at officer level on our new management statement and financial memorandum.
- We received six requests for information under the Freedom of Information Act. We responded fully to all six within the period prescribed in the Act.
- 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 either about particular clubs or about the government's policy on all-seated grounds.
- 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.

Meeting our key targets

18. In the context of our funding agreement and having regard to our annual risk register, we initially identified five key priorities for 2006/07. We added a further priority to cover the continuing work in respect of the Private Security Industry Act 2001, which the government had originally intended to complete before the start of the reporting year.

Priority

Outturn

1

Monitor each local authority's procedures and audit trails on safety certification and its Safety Advisory Group's performance. Audit its checks of steward training records.

Audits launched in October with completion target of June 2007. One third completed, with further third nearly so. Delayed by need to resolve issues under Private Security Industry Act.

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.

Disappointing progress at many grounds.

Legal advice taken over extent of our liability and that of clubs / the football authorities.

Examining with local authorities what further measures may be possible.

Secure a significant reduction in standing by visiting supporters during 2006/07 season.

Football authorities confirmed that they have no wish to reintroduce standing.

3

Take forward a rolling programme to review and revise existing guidance and produce any necessary new guidance.

Review and revision of Green Guide launched in October. Proceeding on schedule.

Issue guidance on safety management by 30 November.

Guidance on safety management held up by work on Private Security Industry Act but now underway.

Initiate review of Green Guide by 31 October.

4

Identify with DCMS whether and how the FLA can be given a more specific 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.

Assisted DCMS prepare and issue consultation papers on the possible extension of our role to the Football Conference and to other sports.

Assist with preparation of submission to Ministers on timescale to be determined by DCMS and be ready to act within three months, depending upon their decision.

Contact made with Olympic Development Authority and relevant local authorities. Now await decisions as to our role.

Priority

Outturn

5

Maintain effective and transparent corporate governance control systems and strategic risk management processes under the oversight of the FLA Board.

New funding agreement signed.

New management statement and financial memorandum awaiting final agreement.

Submit review of performance to DCMS by 30 June, annual report by 31 July, risk register by 31 January and annual business plan by 31 March.

All planning documents submitted on target. No concerns expressed.

6 (Added)

Advise and assist DCMS to secure an exemption for club stewards from licensing by the Security Industry Authority.

Contributed to final outcome whereby all stewards employed directly by clubs / ground management were taken out of the ambit of the Private Security Industry Act.

Highlights of the year

19. These were the main highlights of the year:

- identifying the resources for the formal review of the Green Guide; launching it when planned and ensuring that it is running on schedule;
- assisting the identification and promulgation of the detailed requirements for all stewards to achieve a level 2 steward training qualification within a given period, on which we have issued guidance to local authorities; and
- preparing and issuing (on behalf of DCMS) a new-style safety certificate on the completion of the new stand at Ascot Racecourse.

20. Our other achievements have included:

- providing extensive advice and assistance to the local authorities and clubs in Portsmouth, Hereford and Chester on how to remedy serious deficiencies at the grounds concerned;
- providing detailed guidance to a number of local authorities on how to address problems expected to be caused by visiting supporters;
- identifying where liability rests in respect of standing in seated areas; persuading the football authorities that they should take greater responsibility for this issue;
- advising the Secretary of State on the applications from Cardiff City FC and Plymouth Argyle FC for extensions of their all-seater deadlines;
- advising DCMS on the consultation exercises on our future role vis-a-vis the Football Conference and other sports;

-
- establishing links with the Olympic Development Authority and the local authorities for the main Olympic sites;
 - advising the Northern Ireland authorities on the production of their own guidance on spectator safety, on steward training and on ground design;
 - undertaking an audit of facilities in Bahrain on behalf of the Emergency Planning College.
 - agreeing our new financial memorandum and management statement.

Developments since 1 April 2007

21. The Secretary of State decided to allow Cardiff City a further extension to the all-seater deadline on the basis of the club's assurances that construction work on the site is to begin shortly. Its progress will, however, be closely monitored. The extension is expected to be revoked should the club fail to start work by the end of the year.

22. The Secretary of State declined to offer Plymouth Argyle an extension because the club was unable to provide sufficient evidence that its proposed redevelopment was imminent.

23. Following recent incidents, the Minister for Sport offered our services to UEFA to assist in the selection of suitable grounds for major European league and cup matches. We await developments.

JOHN DE QUIDT
Chief Executive

3 July 2007

Remuneration report

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 travelling and subsistence expenses as required but does not receive any benefit in kind.

5. The Chairman's post does not carry any FLA pension provision.

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. Two Board members completed their maximum period of service this year – Professor Jan Wright on 8 January 2007 and Mr Trevor Hobday on 31 March 2007.

8. Four new Board members were appointed on 8 January 2007 – they were Messrs Brendon Batson, Jim Dickie, John Garner and Ms Julie Summerell.

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

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

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

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

Board Member	Emoluments £
Mr B Batson	510
Miss P Carvell	2,040
Mr J Dickie	510
Mr J Garner	510
Mr T Hobday	255
Dr B Robertson	1,020
Ms J Summerell	510
Mr J Woodrow	1,912
Professor J Wright	2,040

Chief Executive

13. 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.

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

15. 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.

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

	2007	2006
Salary Details	£	£
Salary	72,105	71,303
Performance Bonus	8,000	2,500
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	2.5-5
Pension at 31 March 2007	25-30	25-30
Lump sum at 31 March 2007	85-90	80-85
Cash equivalent transfer value at 31 March 2006	607	446
Cash equivalent transfer value at 31 March 2007	635	607
Employees contributions and transfers-in	0-2.5	0-2.5
Real increase in cash equivalent transfer value as funded by employer	3	20

JOHN DE QUIDT
Chief Executive

3 July 2007

Statement of responsibilities

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 Members are required to:

- observe any directions 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 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 the Government Financial Reporting Manual.

JOHN DE QUIDT
Chief Executive

3 July 2007

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, priorities and targets, as agreed with the Secretary of State for Culture, Media and Sport;
- whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting; and
- whilst 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 31 March 2007 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.

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 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. I also take account of any comments made by the external auditors. I have set in place a system for regular review of the effectiveness of internal control under the guidance and supervision of the FLA Board.

For the year 2006/7 the FLA's Internal Auditors carried out a review of the FLA's financial systems, corporate governance, performance management, and work on business continuity. 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.

JOHN DE QUIDT
Chief Executive

3 July 2007

Certificate and Report of the Comptroller and Auditor General

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 2007 under the Football Spectator's 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 Spectator's 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 regularity 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 Spectator's Act 1989 (as amended) and by 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, Management Commentary and Remuneration Report, 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 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 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. 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.

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 judgments 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

In my opinion:

- the financial statements give a true and fair view, in accordance with the Football Spectator's Act 1989 (as amended) and by 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 2007 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 Spectator's Act 1989 (as amended) and by the Secretary of State for Culture, Media and Sport's directions made thereunder; and
- information given with the Annual Report, which comprises the Chief Executive's Report, Management Commentary and Remuneration 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 purpose intended by parliament and the financial transactions conform to the authorities which govern them.

Report

I have no observation to make on these financial statements.

JOHN BOURN

Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria, London SW1W 9SP

19 July 2007

Income and Expenditure Account for the year ended 31 March 2007

	Notes	£	2007 £	£	Restated 2006 £
Income					
Sale of publications			1,657		3,294
Other operating receipts			<u>0</u>		<u>40</u>
			1,657		3,334
Expenditure					
Salaries and wages	3,4	851,231		802,589	
Other operating payments	3	315,241		319,670	
Depreciation	5	<u>15,971</u>		<u>16,022</u>	
Operating expenditure			<u>1,182,443</u>		<u>1,138,281</u>
Net Expenditure			(1,180,786)		(1,134,947)
Interest receivable			<u>2,721</u>		<u>2,750</u>
Net Expenditure after interest before notional costs			(1,178,065)		(1,132,197)
Notional Costs					
Capital charge	1		<u>(4,140)</u>		<u>(4,572)</u>
Net Expenditure after notional costs			(1,182,205)		(1,136,769)
Removal of capital charge			<u>4,140</u>		<u>4,572</u>
Net Expenditure for the financial year			(1,178,065)		(1,132,197)

The Authority had no other recognised gains or losses during the year (2006:nil). All operations were continued throughout the year and no operations were acquired or discontinued.

The notes on pages 26 to 32 form part of the Accounts

Balance Sheet as at 31 March 2007

	Notes	£	2007 £	£	Restated 2006 £
Fixed Assets	5				
Tangible Assets			36,211		45,350
Current Assets					
Debtors	6	50,747		48,411	
Stock		0		6,720	
Cash at bank and in hand	12	<u>129,532</u>		<u>65,604</u>	
		180,279		120,735	
Creditors: amounts falling due within 1 year	7	<u>100,228</u>		<u>45,758</u>	
Net current assets			<u>80,051</u>		<u>74,977</u>
Total net assets			116,262		120,327
Represented by:					
Reserves	8		116,262		120,327

The FLA approved the Annual Report and Accounts 2007 for issue on 19 July 2007.

JOHN DE QUIDT
Chief Executive

3 July 2007

The notes on pages 26 to 32 form part of the Accounts

Cash Flow Statement for the year ended 31 March 2007

	Notes	£	2007 £	£	2006 £
Net cash outflow from operating activities	11		(1,105,960)		(1,143,387)
Returns on investments and servicing of finance					
Interest received		2,721		2,750	
Net cash inflow from returns on Investments and servicing of finance			2,721		2,750
Capital expenditure					
Purchase of fixed assets		(6,833)		(998)	
Net cash outflow from capital expenditure			(6,833)		(998)
Financing					
Grant in Aid – revenue expenditure		1,167,167		1,109,002	
Grant in Aid applied towards purchase of fixed assets		<u>6,833</u>		<u>998</u>	
Net cash inflow from financing			<u>1,174,000</u>		<u>1,110,000</u>
Increase / (decrease) in cash	12		63,928		(31,635)

The notes on pages 26 to 32 form part of the Accounts

Notes to 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.

Change of Accounting Policy

With effect from the 2006-07 reporting period, the FReM requires Non-departmental public bodies such as the Football Licensing Authority to account for grants in aid received for revenue purposes as financing because they are regarded as contributions from a controlling party which gives rise to a financial interest in the residual interests of NDPBs. This is a change in accounting policy from earlier periods where such items were recorded as income. The effect of this change on the certified 2005-06 accounts and the impact of the change on the results of the current year is shown below. Note there is no impact on the net liability position of the FLA as a result of this change in policy: The General Reserve has been re-stated as an amalgamation of the former General Reserve and the Government Grant Reserve. The figures for stock have also been re-stated to reflect the change in disclosure.

	At 31 March 2006 (as previously stated)	Impact of adopting the new policy	At 31 March 2006 (re-stated)
Net Expenditure for 2005-06	(6,899)	(1,125,298)	(1,132,197)
General Reserve	120,327	0	120,327
	At 31 March 2007 (without adopting the new policy)	Impact of adopting the new policy	At 31 March 2007 (applying the new policy)
Retained surplus / (deficit) for 2006-07	5,073	(1,183,138)	(1,178,065)
General Reserve	116,262	0	116,262

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. The element relating to capital expenditure is released to expenditure over the expected useful life of the acquired assets.

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 per cent interest rate was applied to the average capital employed during the year.

Pensions

The full cost of the FLA's pension contributions on behalf of its employees is recognised in the year those contributions are made

2. Income from activities

2007	2006
£	£
9,500	9,400

The FLA charges for the issue of licences to admit spectators to watch designated football matches. In the year ended 31 March 2007 95 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.

3. Net Expenditure

	2007	re-stated* 2006
	£	£
This is stated after charging:		
Chairman and members fees (see 4a)	28,626	27,330
Staff costs (see 4b)	<u>822,605</u>	<u>775,259</u>
Total salaries and wages	851,231	802,589
Travel and subsistence	95,646	103,872
Rent and rates	89,227	88,752
Training and recruitment	7,604	3,762
Accommodation, cleaning, heating & lighting	26,766	28,205
External audit fees	6,000	5,700
Internal audit fees	6,165	11,465
Other professional fees	25,387	21,013
Postage and telephone	20,018	17,675
Office supplies, printing and stationery	<u>38,428</u>	<u>39,226</u>
Total other operating payments	315,241	319,670

* Some of the 2007 breakdown of expenditure headings have been re-stated following the production of the accounts on to a new accounting package. These headings are based on best practice and have no material effect on the accounts for 2005/6.

4a. Board members Remuneration

	2007	2006
	£	£
Fees	26,648	25,500
Employer's N.I. Contributions	<u>1,978</u>	<u>1,830</u>
	28,626	27,330

4b. Staff Costs

	2007	2006
	£	£
Wages and salaries (FLA staff)	576,723	552,217
Wages and salaries (seconded staff)	56,662	45,125
Employer's N.I. Contributions	54,373	52,340
Accruing superannuation liability charges	<u>134,847</u>	<u>125,577</u>
	822,605	775,259

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

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

5. Tangible fixed assets

	Plant and Machinery £	Fixtures and fittings £	Total £
Cost:			
At 1 April 2006	133,970	26,310	160,280
Additions	6,833	0	6,833
Disposals	<u>(60,400)</u>	<u>(2,306)</u>	<u>(62,706)</u>
At 31 March 2007	80,403	24,004	104,407
Depreciation:			
At 1 April 2006	107,408	7,523	114,931
Provided during year	13,192	2,779	15,971
Disposals	<u>(60,400)</u>	<u>(2,306)</u>	<u>(62,706)</u>
At 31 March 2007	60,200	7,996	68,196
Net book value:			
At 31 March 2006	26,563	18,787	45,350
At 31 March 2007	20,203	16,008	36,211

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

All remaining assets below the £500 limit have been fully depreciated this year and cleared from the asset register.

6. Debtors	2007	2006
	£	£
Prepayments	50,703	48,411
Other debtors	<u>44</u>	<u>0</u>
	50,747	48,411
7. Creditors: amounts falling due within one year	2007	2006
	£	£
Accruals	100,228	45,758
8. Movement on reserves 2006-07	2007	2006
	Reserves	(restated) Reserves
	£	£
At 1 April 2006	120,327	140,944
Net Expenditure	(1,178,065)	(1,132,197)
Grant in Aid received towards resource expenditure	1,167,167	1,109,002
Grant in Aid received towards purchase of assets	6,833	998
Movement of stock	<u>0</u>	<u>1,580</u>
At 31 March 2007	116,262	120,327

9. Pensions

The Chief Executive and staff are covered by the provisions of the Principal Civil Service Pension Scheme. The PCSPS is an unfunded multi-employer defined benefit scheme. The FLA is unable to identify its own share of the assets and liabilities within the PCSPS. The Scheme Actuary (Hewitt Bacon Woodrow) valued the scheme as at 31 March 2003. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2006-07, employers' contributions of £134,847 were payable to the Paymaster General (2005-06 £125,577) at one of three rates in the range 19.5 to 25.5 per cent of pensionable pay, based on salary bands (the rates in 2005-6 were between 18.6% and 24.6%). The Scheme Actuary reviews employer contributions every four years following a full scheme valuation.

The contribution rates are set to meet the cost of the benefits accruing during 2006-07 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

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.

10. Operating lease commitments

	2007		2006	
	£	£	£	£
	Land and Buildings	Other	Land and Buildings	Other
Leases expiring within:				
One year	0	0	0	0
Two to five years	70,500	1,478	70,500	1,478
Over five years	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	70,500	1,478	70,500	1,478

11. Reconciliation of operating surplus to net cash inflow from operating activities

	2007	2006
	£	£
Net expenditure for financial year	(1,180,786)	(1,134,947)
Depreciation charge	15,971	16,022
Increase in debtors	(2,335)	(303)
Increase / (decrease) in creditors	54,470	(19,019)
Decrease / (increase) in stock	<u>6,720</u>	<u>(5,140)</u>
Net cash flow	(1,105,960)	(1,143,387)

12. Analysis and reconciliation of net funds

	2007	2006
	£	£
Cash at bank and in hand at 1 April 2006	65,604	97,239
Cash flow in year	<u>63,928</u>	<u>(31,635)</u>
Cash in hand and at bank at 31 March 2007	129,532	65,604

13. Capital commitments

At 31 March 2007 there were no capital commitments contracted for or authorised (31 March 2006 – 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 £1,174,000 from the Department for Culture, Media and Sport. The Football Licensing Authority has in turn forwarded £9,500 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.

In addition to the income transactions within the DCMS, there were the following transactions with bodies considered as related parties during the year:

	Expenditure	Creditor balance
	£ (k)	c/f £ (k)
DCMS	127	0

DCMS expenditure relates to reimbursement of salary costs

In addition, the Football Licensing Authority had a number of transactions with the following body: the Department of Trade and Industry.

JOHN DE QUIDT
Chief Executive

3 July 2007

Published by TSO (The Stationery Office) and available from:

Online

www.tsoshop.co.uk

Mail, Telephone, Fax & E-mail

TSO

PO Box 29, Norwich NR3 1GN

Telephone orders/General enquiries 0870 600 5522

Fax orders 0870 600 5533

Order through the Parliamentary Hotline *Lo-call* 0845 7 023474

Email bookorders@tso.co.uk

Textphone 0870 240 3701

TSO Shops

123 Kingsway, London WC2B 6PQ

020 7242 6393 Fax 020 7242 6394

16 Arthur Street, Belfast BT1 4GD

028 9023 8451 Fax 028 9023 5401

71 Lothian Road, Edinburgh EH3 9AZ

0870 606 5566 Fax 0870 606 5588

The Parliamentary Bookshop

12 Bridge Street, Parliament Square

London SW1A 2JX

Telephone orders/General enquiries 020 7219 3890

Fax orders 020 7219 3866

Email bookshop@parliament.uk

Internet bookshop.parliament.uk

TSO@Blackwell and other Accredited Agents



Football Licensing Authority

ISBN 978-0-10-294676-5



9 780102 946765