

Company Registration No. 00077797

The Football Association Limited

Report and Financial Statements

Year ended 31 July 2016

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The Football Association Limited

Report and financial statements 31 July 2016

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Officers and professional advisers

Directors

G Clarke	(Appointed 24 August 2016)
G Dyke	(Resigned 22 July 2016)
B W Bright	
R F Burden	(Resigned 22 July 2016)
R Devlin	
D Gill	
M Glenn	(Chief Executive Officer)
K Lamb	(Resigned 9 May 2016)
M R Leggett	
I Lenagan	(Resigned 10 June 2016)
P McCormick OBE	
J Moxey	(Appointed 9 May 2016)
J Pearce	
H Rabbatts DBE	
J Rodwell	(Appointed 1 July 2016)
R Cotter	(Appointed 22 July 2016)

Secretary

R McDermott

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Chairman's statement

It is a great honour for me to be joining The FA at such a pivotal point in its recent history.

As Martin Glenn has set out in his CEO review of the year, the organisation has been through significant change in recent times which has left it well placed. I know a lot of hard work has been happening to get us on a strong financial footing and to provide clear direction for the future.

Such a healthy picture and opportunity for growth was a big draw when the chance came for me to be considered as Chairman.

With so much good work being done across many areas and, as these financial statements demonstrate, a new record of £125 million being reinvested by The FA into football, this is a very important moment for English football and I hope to play my part in building on the progress undertaken by the senior management team and staff across the country.

I recognise we face a number of challenges. I certainly have a strong sense of purpose about what needs to happen next and will work hard in support to make sure that we can live up to our stated ambitions.

Whether supporting the England teams, serving the clubs and leagues or promoting the grassroots game, there are great people at The FA who are working diligently and professionally. We also have fantastic facilities for footballers and supporters alike and our world-class homes at Wembley and St Georges Park reflect well our investments in recent years.

I believe English football can be confident of its future and my personal commitment is to do all I can to continue the focus on the national game, particularly facilities and coaching, so that everyone who wants to play the game is able to do so. I am also passionate about inclusion, particularly when it comes to ensuring the coaching workforce is suitably representative of those who want to learn and get better.

Sport in this country is on the up, especially after a wonderful Olympic Games, but football remains the number one sport. We must do everything possible to reward the millions that already play but also do all we can to attract many more to experience the simple pleasure of having a kick about on a park pitch or playground. We should never forget the enjoyment of football, the way it brings people together and can do so much to remind us of what unites us.

Strong relationships will be paramount, both at home and abroad, and none more so than with supporters and volunteers at every single level.

Listening to their needs and aspirations will go a long way to telling us how good a job we are doing.



Greg Clarke

Chairman,

The Football Association

The Football Association Limited

Strategic report

This Strategic report contains the following sections:

- Strategic priorities;
- Chief Executive Officer's review of the year;
- Principal risks and uncertainties;
- Corporate social responsibility; and
- Financial review.

The directors, in preparing this Strategic report, have complied with s414C 'contents of strategic report' of the Companies Act 2006.

Strategic priorities

The FA Group has seven strategic priorities as it looks towards the landmark year of 2020, when Wembley Stadium will play host to the semi-finals and final of UEFA EURO 2020.

Whilst the key themes of the six strategic priorities outlined in the prior season have not fundamentally changed, we have refined these in the current season as a result of reorganisational changes within the group alongside including a seventh strategic priority in relation to the Women's Game. We see this as a key priority as we seek to make football inclusive to everybody.

By 2020 we will deliver:

- **ENGLAND TEAMS WINNING** - England men's and women's senior teams prepared to win;
- **WORLD LEADING EDUCATION** - A world-leading education programme for a diverse football workforce;
- **DOUBLING THE WOMEN'S GAME** - A doubling of the player base and fan following of women's football;
- **PLAYING OPPORTUNITIES FOR EVERYONE** - Playing opportunities for everyone in a rapidly changing game;
- **DIRECT ENGAGEMENT** - Direct engagement with every fan, player and participant;
- **TRUSTED AND EFFICIENT** - Trusted regulation, efficient administration and world class competitions; and
- **WORLD CLASS VENUES** - Wembley Stadium and St. George's Park as inspirational venues.

By 2020 we will be an organisation that:

- **OUR PEOPLE** - Recruits, retains and develops excellent people who are proud to serve the game;
- **UNDERSTANDING THE GAME** - Uses research, insight and measurement to understand the game and make better decisions;
- **STRONG FINANCIAL BASE** - Operates from a strong financial and commercial base to ensure we can invest in the game where it needs it most; and
- **COMMUNICATION** - Communicates positively, pro-actively and consistently to promote opportunity and celebrate excellence.

These priorities have been discussed in more detail as part of the Chief Executive Officer's review of the year.

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Strategic report (continued)

Chief Executive Officer's review of the year

Introduction

My first full year as CEO has been an eventful and rewarding one. We have come through a period of transition involving the wider workforce at our two main homes of Wembley and St. George's Park and have a stable financial picture. In that time, I have learned at first hand that The FA is a great organisation unique in its breadth and reach but I believe it is a body that must embrace change to meet the needs of the modern game.

Anyone considering The FA's performance across 2015-16 would be forgiven for focusing on the disappointment surrounding the England senior men's team at UEFA Euro 2016.

Whilst the memory of what happened in France still lingers, and we must learn from such an experience, it would be wrong for that to totally overshadow what has been a strong and significant year for the organisation. Clearly we are all about striving for success in tournaments and I am confident our hard work this past 12 months will lead to better times ahead.

Research tells us The FA needs to evolve. We must listen to the fans and those that play and work across every level from the grassroots to the elite. We must put meeting their needs first to give the game the leadership it deserves. In so doing, I am confident we can rebuild ourselves into a world-class organisation. Especially as we start from a strong foundation with:

- A strong workforce - dynamic, diverse and dedicated
- A solid financial base
- A renewed commitment to grassroots football's frontline: coaching, facilities and participation
- Great assets in Wembley, St. George's Park and our competitions

Building on these core strengths, we have put together a strategic plan to take The FA and English football forward over the next four years through to 2020. In turn, we will feel the benefit across English football – from the professional game, the leagues and the clubs, through to the national game and its unstinting commitment to the grassroots. In reflecting the past 12 months, I thought it most appropriate to do so in consideration of each of our new seven objectives which will shape our strategy over future seasons.

Seven objectives

In spring 2015, I was recruited as a 'change' CEO for The FA. The Board wanted someone to come in and shake up the organisation and had identified a number of problem areas. Namely, a lack of England senior men's team success; a steady decline in the quality of coaching and facilities in the grassroots; misaligned coach education, and poor service in the administration and regulation of the professional game. What I found underneath all that was an organisation short on strategic focus, unable to prioritise its resource use, and a creeping cost base that needed addressing. It was an organisation lacking in confidence and wary of collaborating with the wider game in England.

Reviewing the situation today I am confident we are going the right way, even if we still crave the solution to addressing England senior men's team success in tournaments.

We have a clear path for future success with seven objectives discussed above which underpin all of our work.

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Strategic report (continued)

Chief Executive Officer's review of the year (continued)

England prepared to win

The sight of an England senior men's team coming up short in a major final is sadly all-too familiar. The experience in France was disappointing from start to finish, especially considering how well everything had gone in preparation. From ten wins out of ten in qualification to solid results in preparation games.

Clearly things did not go to plan and this is being addressed. But as we look to the World Cup in 2018 for once we will not have to start again. We have a hugely talented young squad, a common thread between our development teams and the presence of St. George's Park with its commitment to coaching excellence. None of this was in place in the build-up to previous World Cup tournaments. We also have great commercial support from our partners including Nike and Vauxhall.

We have been encouraged by the performance of our development teams, both our men's and women's U17s fared well in summer 2016 while Gareth Southgate's young Lions brought home the trophy from Toulon after five wins out of five in the elite development competition. Our men's U19s, many of whom won the U17s Euros two years before, reached the semi-finals of the U19 Euros in Germany to reach next year's World Cup.

We went into the 2015-16 campaign with England senior women's team as the third best in the world after their magnificent showing in Canada. It was fantastic to see one of our teams do so well, exceeding expectations in many ways and they comfortably qualified for the 2017 Women's Euros. Mark Sampson has also introduced new players along the way, showing our development structure is having an impact. Our women's U17s also qualified for October's World Cup in Jordan.

We want and expect men's and women's England team success. We are investing in the development and senior teams structures to do that, but of course we need the players, and that is why we put £8 million every year into the Elite Player Performance Plan and Football League youth development.

We also launched a significant new investment into the England team set up. We are determined to get it right in this area. We want to make sure we are giving the brilliant talent produced by the clubs the best possible chance to succeed at every stage of their England careers.

As ever, support with player release across all these age groups is vital and appreciated and there are signs of stronger and closer ties with clubs.

World-leading education programme

When I took my level one coaching badge back in 2003, only five per cent of all the clubs in the country had a qualified coach. We have moved on a lot since then but we have got ambitions to move it further. We know that great coach education is the foundation from which everything else is built and we are determined to keep progress going.

We have to make sure that our coach education workforce reflects that change in society and it does go back to our roots and our values.

As The FA's founding father Ebenezer Morley said back in 1863, "success to football, irrespective of class or creed". That still stands today but should take in our commitment to all walks of life, whatever your background or age. It fundamentally means making sure that our coach education workforce reflects the people that want to be coached.

We are doing many things to make this happen. For example, we are recruiting 200 black, Asian, and minority ethnic (BAME) coaches, we are supporting the English Football League as they embed diversity into all their recruitment plans and we are introducing a women's leadership pilot which is designed to get women in prominent leadership positions in football. All those initiatives are linked to the success of our Inclusion Advisory Board.

Chaired by Heather Rabbatts, it is fully established and plays an important role across the game. It meets regularly and helps bring in different perspectives from around the game and it helps us in The FA inform the kind of choices we make going forward. Across the county network, more than 60 per cent of County FA's have an inclusion advisory board of their own. That is terrific progress but we know more has to be done.

Certainly, internally at The FA we have arranged for all staff and The FA Council to undergo diversity training and we have made the importance of inclusion and equality central to two staff conferences in the past 12 months.

As people who play football today are drawn from a wider demographic mix it follows that this diversity should be reflected in coaches, referees, administrators and volunteers. Good progress is being made but more needs to be done.

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Strategic report (continued)

Chief Executive Officer's review of the year (continued)

Doubling women's participation

Although England performed brilliantly at the 2015 FIFA Women's World Cup, if you look at the pool of players available to Mark Sampson it is half the size of that available to his counterparts in France or Germany. We simply need to produce more players and a big moment this past year was the appointment of Baroness Sue Campbell to head up this drive. She has great experience and success in youth and elite sport and will be a key figure in achieving this objective going forward.

There is a two-fold approach needed. Firstly it is building a better pathway from when children first start to play football all the way through to elite development and then it is inspiring people to want to keep playing. We have a challenge in schools where only four out of ten girls get a chance to play the game. We need to focus on encouraging the education system to embrace football and also help teachers who want to use football.

Secondly, it is about capitalising on the good momentum we are seeing in the formation of more teams. FA Girl's Football Week goes from strength to strength, with a successful recent staging in April that saw us attract 52,000 participants. Alongside this we have worked hard on how we identify rising stars coming up through the grassroots. We have reorganised our approach so we now have a widespread network of regional talent clubs across the country that can spot promising players and give them greater development opportunities.

A big aspect of our plan to double participation is to continue the progress of The FA Women's Super League ('FA WSL'). It has developed nicely as a two-tier competition. We have seven professional teams including 2015 champions Chelsea and are seeing stronger viewing figures on TV and average attendances across the two divisions increased by 30% year on year. We know we need to continue to be creative in a competitive marketplace with men's football and other sports. As a result, this past summer we announced that the FA WSL will be switching to a winter format from 2017-18, having listened to the views of people across the game about what is required to take the game to the next level.

At the heart of all of this is 'how do we inspire women to want to play football'? We also know there are a number of cultural barriers to women taking up football and these are being knocked down all the time. Accessibility to the game is also key and initiatives, thanks in part to our partners SSE – such as free children's tickets to the Women's FA Cup final which led to more than 33,000 seeing Arsenal win the 2016 trophy at Wembley in May.

Using our top clubs and players as positive role models is paramount – not least our Lionesses with England's pursuit of Euro success in summer 2017. Capitalising on this with our sponsors and broadcast partners, will help build on the momentum in women's football.

Playing opportunities for all

There are 12 million people that play football regularly in England, men, women and children, and it is The FA's responsibility to help ensure they can play on a good quality surface and have a safe experience.

There are 20,000 grass pitches up and down the country but local authorities have been reducing the level of investment, so it is up to The FA and the rest of football to step in. In March, we announced an £8 million investment over the next four years called the Pitch Improvement Programme.

There has been lots of attention on our commitment to raising the number of artificial grass pitches and our Parklife project has led to the opening of our first community hubs in Sheffield. I am confident this is going to significantly change the opportunities for people to play all-year round on high quality pitches. This is alongside our on-going £12 million commitment each year to facilities through the Football Foundation.

While we are committed to ensuring good quality playing surfaces, we have to accompany that with programmes to encourage people to start playing the game. In November, we joined forces with Lidl to support our hugely successful Skills programme which has delivered more than eight million playing opportunities since its launch in 2007. The youth football review has helped change the way kids learn to play. This continues to evolve and we have seen an increase of more than 5,000 new teams. In terms of charter standard clubs we have more than 6,800 clubs which participate across 300 leagues. With our coaching commitments, we are doing much to ensure teams have access to the best methods of inspiring and teaching children to play the game.

If we want more people playing the game, we have to ensure it is in a safe and trusted environment. The Respect programme has done much to ensure the climate of playing football is more open, more welcoming and we will tie that

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Strategic report (continued)

Chief Executive Officer's review of the year (continued)

to professional game commitment to improving participant behaviour. There is a link between the way top players act in games shown live on TV to the conduct seen in playgrounds and park pitches.

At The FA we have to be conscious that society is changing and therefore football will change with it. Our focus cannot just be on the eleven-a-side game, we know from our research that people are playing small-sided versions including futsal and even developments like walking football are opening up football to the older generation.

Over the next four years, we will be spending a quarter of a billion pounds on projects to encourage participation for all. As a not-for-profit organisation, every penny we raise is put back into the game and our commitment to the grassroots must remain paramount.

Direct engagement with every fan, player and participant

We are striving to make The FA a more effective partner to the wider game; an organisation which can anticipate the changing needs of the game and provide practical solutions to problems and opportunities.

As The FA we should look to partner and serve – to better anticipate what fans, players, managers, officials, administrators, clubs and leagues need and gear our services to meet them. As such, we are measuring our service and collecting feedback across everything we do. If we are not up to it, we want people to hold us to account.

Back in 2000, The FA said we want to build a player database to understand who is playing the game and what do they need. Writing this report in mid-2016 work still has not been done. I am committed to making that happen by 2020.

We need to be in a position where we understand everyone involved in the game. We certainly have the technology at our disposal to make this possible, not least with the work being done across the game with our 'whole game system'.

There is also one other really important reason why we need to do it and that is the fact that sponsors and partners increasingly expect it. If we do this successfully, this will result in greater revenues for reinvesting back into the game.

We have committed to a new FA website. This past year we realised we had more than 50 separate websites linked to the organisation, many with different messages behind them. We need to unite this to provide greater clarity to those wanting to connect with us. We are getting it right on social media and increasingly using that as a positive tool.

At summer 2016, more than eleven million people follow us on Facebook and Twitter and that number will rise. Of course, it is not all about technology and we understand the best way for direct engagement is to talk to people. This is certainly the case with our events team at Wembley, with a renewed focus on the 'customer' experience.

We are going to continue to make sure we have direct lines of communication. Whether it is backing the Supporter's Summit in July or spending time on focus groups to better understand what the experience is of The FA. A successful business would not try and sell to its customers without understanding their needs, yet for too long we have continued providing football through our traditional means without asking players, coaches and fans what they want or value. To build a digital capability to engage with participants in the game in a modern interactive way, alongside more traditional routes, will be costly and difficult but necessary to continue to make football the nation's favourite sport.

Trusted regulation, efficient administration and world-class competitions

Everyone who interacts with The FA – whether a Professional League club or a grassroots player – needs to trust and believe in the services we provide. We have worked hard to improve our registration systems to make them more efficient and effective and also continued to push for innovation such as video technology and new ideas for the Emirates FA Cup.

When I arrived, the organisation had been struggling with its focus. The cost base had crept too high for a not-for-profit whose mission is to redistribute to the game. As a consequence we restructured the Executive team, saving costs and bringing in new talent, moving from a 55-45 split to 65-35 in terms of football-facing staff.

Costs are under control and we have some significant revenue opportunities between now and 2020. This is the strongest financial position The FA has been in for some time, though we must not lose sight of the debt that remains to be serviced. Wembley Stadium was refinanced to take advantage of favourable market conditions and we invested in important areas like coach education and supporting the elite teams.

The firm base we have today means we can plan with confidence and are bold about our ambitions.

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Strategic report (continued)

Chief Executive Officer's review of the year (continued)

In governing the game, we are committed to a professional and consistent approach to tackling the big integrity challenges to the game – doping, match fixing, and discrimination. These are issues that have derailed other sports and that we must always be vigilant to. We have committed to a new review of our processes to ensure they are efficient and effective.

In the spirit of continuous improvement as part of the world of football, we need to play our part in ensuring a brighter outlook for UEFA and FIFA. We have strong committee representation and through David Gill have an opportunity to positively influence on the world stage.

In saying that we must look closer to home and keeping the Government's trust is an important focus for the leadership team in the coming months. They have been very clear to sporting governing bodies receiving public funds that they will need to comply with a code of conduct in terms of governance.

The FA is renowned for holding a number of great competitions. We had a wonderful Non-League Finals Day at Wembley in May featuring the FA Vase and FA Trophy but the pinnacle of course is The Emirates FA Cup. In the last few years we have really benefitted from great broadcast support from the BBC and BT and our partner Emirates. Viewing figures continue to rise whether in the UK or abroad. Last season, 41.3 million people tuned in to watch the Emirates FA Cup games and the Emirates FA Cup final drew a peak TV audience of 10.1 million domestically. But just because the Emirates FA Cup is the oldest competition in the world doesn't mean we should stop innovating, particularly to stay relevant to both the teams involved and to the fans that watch.

We are going to a sudden-death format in the quarter-finals, and also trialling a new fourth substitute initiative in extra time. The replay change will help relieve fixture congestion but we will keep the magic of replays in the lower rounds. The chance for a lower league club to defeat a Premier League club in a replay at their home stadium is an enduring property of The Emirates FA Cup.

If you are going to have world-class competitions you really need world-class match officials and we should celebrate Mark Clattenburg's historical treble. This season he officiated the Emirates FA Cup, the Champions League and the Euro 2016 final. Congratulations to him and his team – and also to Lisa Rashid, an assistant in the 2016 UEFA Women's Euro final in Slovakia.

England has a fantastic reputation for producing top class match officials which reflect the investment we put into training and development. The FA has made the case to FIFA for developing video assistance for referees and I am delighted that a global testing process is in place to see how it can be practically applied.

Inspirational venues

The FA is spoilt when it comes to having two world-class venues – with both reaching landmark moments in 2017. Wembley Stadium connected by EE will be ten years old next spring while St. George's Park will mark its fifth birthday the following October.

The latter venue in the heart of the nation continues to go from strength to strength – underlined by the sheer number of professional clubs using the centre, most recently Barcelona and Benfica this past summer. In terms of England, we have now had more than 170 team visits. We are looking forward to UEFA hosting their men's Under-17 Euro finals here in 2018.

Across the past year, we have really worked hard at focusing on coach education and development. We want to generate and build a set of new coaches for the 21st century – who can inspire people, share best practice and make sure good ideas travel, particularly to help children interested in the game.

We know we cannot rest on our laurels and are committed to investing more money into St. George's Park to ensure the facility sets the highest standard.

Meanwhile, Wembley goes from strength to strength. This year we have probably had our most diverse range of different events, from the likes of Coldplay, Beyonce and Bruce Springsteen, to hosting the Indian prime minister and then Wembley's first ever film premiere with the launch of Bobby, about our World Cup-winning captain.

Despite having built a great concert franchise Wembley remains at its core a football stadium: Marking its 50th England match with the defeat of eventual European champions Portugal in June, and this is emphasised by our partnership with Tottenham Hotspur signing up to play Champions League games under the Arch in 2016-17. There is also a

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Strategic report (continued)

Chief Executive Officer's review of the year (continued)

proposal to play all their home fixtures at Wembley in the following season while we remain open to talking to other interested parties in later years.

The power of football and Wembley to really bring people together in the face of adversity was seen with the visit of France in November, just a few days after the terrible atrocities in Paris. I must pay tribute to the FA staff involved and the fans at the stadium for helping mark the occasion with dignity and respect. It was a powerful moment of solidarity.

Great stadiums need great fans and we are fortunate with continued tremendous backing from our supporters. However we can never take them for granted and we have been committed to competitive pricing, particularly for families. This season we were able to reduce ticket prices for the Emirates FA Cup semi-finals and final and have invested heavily – with EE – in our stadium tour to provide a wonderful experience for everyone who wants to visit.

Conclusion

As we look back on the highlights of the past 12 months, as well as recognising the obvious challenges we face, I believe that the foundations of The FA are strong.

We are stronger financially, strategically more focused and determined to follow a more collaborative approach to work with our partners for the betterment of the wider game in England.

Subsequent events

On 27 September, The FA mutually agreed to terminate Sam Allardyce's contract as England senior men's team manager. He had been in post for 67 days having been appointed in July following the departure of Roy Hodgson.

Allardyce's only international in charge was the 1-0 victory in Slovakia on 4 September to start the qualifying campaign for the 2018 FIFA World Cup. The decision related to conduct inappropriate of the England manager and he accepted he made a significant error of judgement. Gareth Southgate was appointed to lead the team on an interim basis for four matches and subsequently appointed as full-time England manager on 1 December 2016.

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Strategic report (continued)

Chief Executive Officer's review of the year (continued)

Results in the 2015/16 season

England Men's Senior Team

San Marino 0 England 6 in Seravalle on 05 September*
England 2 Switzerland 0 at Wembley on 08 September*
England 2 Estonia 0 at Wembley on 09 October*
Lithuania 0 England 3 in Vilnius on 12 October*
Spain 2 England 0 in Alicante on 13 November

England 2 France 0 at Wembley on 17 November
Germany 2 England 3 in Berlin on 26 March
England 1 Holland 2 at Wembley on 29 March
England 2 Australia 1 at The Stadium of Light on 27 May
England 2 Turkey 1 at The Etihad Stadium on 22 May
England 1 Portugal 0 at Wembley on 02 June
England 1 Russia 1 in Marseille on 11 June*
Wales 1 England 2 in Lens on 16 June*
Slovakia 0 England 0 in Saint-Etienne on 20 June*
England 1 Iceland 2 in Nice on 27 June*

*UEFA Euro 2016 Qualification

*UEFA Euro 2016 Finals

England Women's Senior Team

Estonia 0 England 8 in Tallinn on 21 September*
China 2 England 1 in Yongchuan on 23 October*
Australia 0 England 1 in Yongchuan on 27 October*
Germany 0 England 0 in Duisburg on 26 November
England 1 Bosnia & Herzegovina 0 at Ashton Gate on 29 November*
USA 1 England 0 in Tampa on 4 March*
England 1 Germany 2 in Nashville on 6 March*
England 0 France 0 in Florida on 9 March*
England 1 Belgium 1 in Rotherham on 8 April*
Bosnia & Herzegovina 0 England 1 in Zenica on 12 April*
England 7 Serbia 0 at Adams Park on 4 June*
Serbia 0 England 7 in Stara Pazova on 9 June*

*UEFA Women's Euro 2017 Qualification

*The Dewellbon Cup

*The SheBelieves Cup

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Strategic report (continued)

Principal risks and uncertainties

There are a number of potential risks and uncertainties which could have a significant impact on the Group's long-term performance. There is an established Risk Management process in place. The Group's Senior Management Team and the Board review existing risks and identify new risks on a quarterly basis. Suitable controls are implemented and action plans are established to mitigate risks. Both the risks to achieving the strategic priorities and financial risks are also reviewed in this process. These risks and uncertainties and the related controls and plans are monitored by the Group Audit Committee on a regular basis.

Strategic risks

The FA as a modern, dynamic organisation

Becoming established as a modern, dynamic organisation fit for the 21st century underpins the Group's other strategic priorities. A failure to achieve this would have a significant reputational impact and threaten our ability to regulate and administer the game credibly, devalue the commercial assets of the Group and undermine our drive to increase participation through developing grassroots facilities and improving the coaching structure.

Our strategic priorities for 2016-20 focus on seven key areas and demonstrate a commitment to improving the perception of The FA as an effective and professional organisation for the greater good of English football.

Effective and respected regulation and administration of football

The continuation of robust governance procedures for the game is key to maintaining levels of participation and our reputation. The FA Rules and Regulations are reviewed annually, while specific policy areas are reviewed on an ad hoc basis and always following a high profile or controversial issue. There is an on-going review of disciplinary and anti-doping frameworks to ensure these are sustainable and remain up to date.

Incidences of match fixing undermine our reputation and impact negatively on participation. A robust framework of rules and regulations is in place, supported by the Group's integrity unit which is now fully operational. A tariff has been established for non-reporting of approaches and other integrity matters. An education programme on match fixing and betting has also been implemented, and the rules strengthened around participant betting.

Sustainable and successful commercial assets of The FA

There is a risk that the Group's key commercial assets, including The Emirates FA Cup, the England senior teams, Wembley Stadium and St. George's Park, become devalued, which would have both a reputational and financial impact.

The Group has focussed on securing long-term contracts with multiple commercial partners across each of the Group's main commercial assets, with the vast majority of agreements secured through until at least July 2018. A number of these contracts including the broadcasting rights of the Emirates FA Cup were extended to 2020 and continues to demonstrate the strengths of these assets. The Commercial Programme is regularly revisited to mitigate the risk that The FA's assets are not being maximised.

Grassroots facilities and participation at all levels

Achieving the established targets for participation are key for the Group and failure to do so could impact on our reputation, our funding from Sport England and the attractiveness of the Group's commercial assets. Changing lifestyles and the reduction in the availability of good quality facilities following Local and National Government spending cuts have increased this risk.

The Group is committed to increasing the provision of grassroots facilities available to all through the 'Parklife' project. The first of up to 150 football hubs to be built across 30 English cities was opened in Sheffield in 2016 and the first Liverpool hub is due to open during the 2016-17 season. The creation of all-weather 3G artificial grass pitches using a sustainable model of investment, ownership and management is at the heart of our participation priority.

An effective FA coaching structure

A failure to deliver the increased number, status and standard of coaches required to create a more effective FA coaching structure represents a reputational risk for the Group as well as having an impact on participation and ultimately the success of the England national teams.

The FA has pledged to invest £4 million each year in grassroots coaching. There will be a network of County Coaches, tasked with improving and supporting coaching across grassroots football with club mentoring programmes. The extension of coach bursaries aims to get more women and people from diverse backgrounds into the profession and there will be a drive to get more top level grassroots coaches into the game.

The Football Association Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

International tournament success

The number of English qualified players playing at the top end of English football continues to decline, presenting a risk to the success of England teams at all levels. The potential solutions identified by The FA England Commission continue to be explored and the focus of the new strategic priorities on the number, status and standard of coaches, the improvement of grassroots facilities and the number of people playing football are expected to increase the quality and number of English qualified players available for selection for the England teams.

The successes of the England senior women's team in Canada and of our development squads including both men's and women's U17s, the men's U19 reaching the semi-finals of the U19 Euros and qualifying for next year's U19 World Cup and the U21 winning the Toulon Trophy demonstrate there is much to be proud of, although there will always be an intense focus on the performance of our England men's senior team.

Behaviour of England supporters

The behaviour of a small number of England supporters at the UEFA Euro 2016 tournament led to widespread negative media coverage. Whilst the majority of the football community has moved on from the dark days of football hooliganism, the anti-social behaviour of some England fans whilst supporting England both at home and overseas may cause reputational damage to The FA. This in turn impacts The FA's commercial appeal to sponsors and broadcast partners alongside receiving sanctions and fines from FIFA and UEFA. Therefore due to the adverse impact this may have on The FA we have included this as an additional principal risk in the current season.

During the UEFA Euro 2016 tournament there was a proactive incident communications protocol in place which directly addressed the fans and media. Following the tournament a review was performed in regards to the incidents in France. As a result of this a number of members of the England Supporters Travel Club had their membership revoked. The FA will work with relevant experts for future tournaments to ensure a repeat of the UEFA Euro 2016 tournament does not occur.

Financial risks

Commercial revenue

One of the most significant uncertainties for The FA is the future value of its main source of commercial revenues, being broadcasting and sponsorship rights. These are typically re-negotiated and sold on a four year cycle. Broadcasting, sponsorship and licensing revenues accounted for 57% (£212 million) of the Group's turnover in the year. Both domestic and international broadcast agreements are secured through to July 2018.

The coterminous nature of a significant number of commercial contracts is a clear risk and the Group is dependent on market conditions and the perception of the performance of the England senior men's team, the appeal of the Emirates FA Cup and the ability to fill Wembley Stadium. The Group is in a strong position given that all broadcasting rights are contracted through to July 2018. The Group had implemented a Commercial Strategy with the objective of securing sponsorship contracts for the Group's wide range of assets through to 2018. We successfully sold all rights up to 2018 and during the current season have sold and continue to sell past 2018. The commercial focus over the 2016-17 season will be to begin to sell the remaining rights post 2018 expiry.

In addition to the contract and term risks identified above, there is also a significant credit risk due to the potential size of the agreements. The risks are heightened when dealing with overseas territories and broadcasters. To mitigate against the credit risk the following actions are taken:

- due diligence is performed on all potential partners;
- payment terms are negotiated so that cash is received in advance of rights issued;
- bank guarantees or letters of credit are secured as appropriate; and
- annual due diligence is performed on all significant commercial agreements.

Club Wembley revenue represented 15% of the Group's turnover in the year. Club Wembley box and premium seats have been contracted for an average of eight and ten years respectively, with the majority of these licences running through to 2017. The short-term risk exists that some members do not pay their annual season fee. However, cash collection rates have been in excess of 96%. Alongside this as the majority of the ten year licences expire in 2017, the renewal of the membership contracts has now become a short-term risk. We have implemented a sales strategy to ensure that members renew these licences when they expire in 2017.

The Football Association Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

Borrowing

In October 2015, The FA put in place a new £300 million loan facility provided by Barclays, HSBC and Santander, replacing the previous facility which was in place to finance the construction of Wembley Stadium. The terms of the borrowing arrangements (see Note 15) include certain financial covenants, which are forecast to be achieved based on the Group's projections. While significant headroom is projected over the covenant targets, a dramatic downturn in the Group's performance could result in default of these covenants. This scenario is considered unlikely as currently significant headroom is projected and the Group also has the potential to reduce discretionary expenditure. However, given the quantum of the amounts borrowed, this remains a risk for the Group.

Expenditure

In addition to the specific factors described above, the overall mitigating factor for the Group is the significant level of discretionary expenditure in The FA's cost base. A significant element of The FA's expenditure is investment into the game and can be reduced without breaching legal commitments.

Inability to stage an event at Wembley Stadium

A major disaster could have an impact on the ability to host an event at Wembley Stadium or affect people's willingness to attend matches and events. Such an incident could have the potential to significantly disrupt the operation of the business and could have an adverse effect on the Group's revenues. This risk is managed by having relevant insurance cover and through maintaining good working relationships with the Metropolitan Police Service, security services and intelligence agencies.

Post EU referendum

As a result of the EU referendum on 23 June 2016, the UK has voted to leave the EU. In the immediate aftermath this saw a negative impact on financial markets and business sentiment.

Whilst a devaluation in sterling and a reduction in interest rates has a positive impact on The FA as broadcasting rights from overseas operators are received in US dollars or euros, where we have entered into derivative contracts to hedge our foreign exchange risk this has resulted in significant foreign exchange losses being recognised in the current year.

As the impact of the EU referendum unfolds we continue to monitor this and assess and react to these implications.

The Football Association Limited

Strategic report (continued)

Corporate social responsibility

Whilst we must operate efficiently and effectively as a business, it is also vital that we are aware of the role we play in our society and that we conduct ourselves accordingly. As a Group we are committed to being socially responsible and careful to consider the environmental, ethical, and charitable and community impacts, both positive and negative, in all that we do.

Over the course of the season, Wembley donated more than £1 million to the Wembley National Stadium Trust, to comply with a deed of covenant signed in respect to the £120 million lottery funding that was provided to aid with the original build cost of the stadium through Sport England.

The donations are used to fund a wide range of sports projects within Brent, London and across the UK. Grants approved by the Trust this year include £2,500 to Brent Dolphins Swimming Club towards the cost of travel to junior galas, £20,000 to Brent Mencap towards the cost of a multi-sport programme for people with learning difficulties, as well as the announcement of a major new initiative in partnership with the Football League Trust to fund a programme of disability football activities across the country.

The FA Group's two-year charity partnership with Breast Cancer Care came to an end in August 2016. We are delighted to have raised more than £450,000 for them in this period. Donations amounting to £150,000 came from the 2014 and 2015 Community Shield Fund and the remaining amount, more than £300,000, was raised through staff and partner related fundraising, including the Breast Cancer Care International match between England and the Netherlands at Wembley in March 2016.

During the partnership, Breast Cancer Care was also afforded unprecedented access to our England teams, showpiece Wembley events and communication platforms. Notably, their #PassItOn campaign delivered nationwide health awareness through our social media, PR, and match-day communications. The money raised by The FA also funded a pioneering breast cancer awareness roadshow which visited 40 locations nationwide promoting early detection and addressing myths and cultural barriers amongst BAME groups in their own languages. It is testament to the commitment from both sides that our two-year partnership was shortlisted in the Corporate Partnership Category in this year's Third Sector Awards.

Over the course of the next season, we look forward to building a relationship with our new charity partner, The Bobby Moore Fund for Cancer Research UK. Set up by Bobby's widow, Stephanie Moore MBE, in memory of the iconic England captain, the charity funds pioneering research into bowel cancer. With the 50-year anniversary of the 1966 World Cup victory this year, this forms a perfect platform for developing the partnership until 2018.

This is underlined by the new 1966 exhibition within the stadium tour which The FA has created with the National Football Museum, and helped to secure funding from the Heritage Lottery Fund in the process. This project has also led to a partnership with the Sporting Memories Network that highlights the valuable work they are doing to help people coping with brain injuries and dementia.

In what has been another poignant year of remembrance as the nation continues to mark the centenary of the First World War, the anniversary of the Battle of the Somme took centre stage. A link up with the Commonwealth War Graves Commission saw senior FA figures highlight their work in honouring our fallen servicemen and women against the backdrop of Euro 2016. As ever, Wembley continues to provide seats and support to the Tickets for Troops good cause – with 1,000 tickets made available for the Netherlands match in March to mark the seventh year of working together.

The FA Group is committed to working closely with the local community around Wembley Stadium. We have a good relationship with Brent Council which ensures that the opportunities and benefits of the stadium are shared with the wider community. The Wembley Stadium Learning Zone exists to provide a community space within the stadium, predominantly delivering educational workshops to young people, in addition to being used for a wide range of other purposes. Last season, the Learning Zone hosted a wide range of community events, such as Kick It Out's awards night, Brent Council's Healthy Weight Conference, and a Mayor's Trust event aimed at reducing knife crime. In addition, the Learning Zone has worked with Brent Council's Inclusion Team to host events such as Brent Autism Outreach Team's Transition Days, Young Carers Consultation panels and a pilot project to address vulnerable students' sensory and emotional difficulties.

Environmental policy

In line with changes within The FA and Wembley Stadium over the past year, our strong approach to energy management has evolved into ensuring that the stadium is presented at its best at all times. This has seen our energy consumption rise, but will also give its own opportunities to investigate and implement green technologies to reduce energy consumption. Identifying opportunities will be the driver for coming years starting with LED lighting projects, the first of which will be the upgrade of 1,000 emergency running man lights which are illuminated 24 hours a day, due to be completed by the end of October 2016.

The Football Association Limited

Strategic report (continued)


Corporate social responsibility (continued)

As Wembley is already a zero-waste-to-landfill venue, the waste strategy for 2015/16 was focused upon ensuring that as much waste as possible is recycled. The total diversion rate dipped slightly in comparison to previous years; however the response has been to change how we manage the waste produced on event days.

The FA has used its energy purchasing influence to negotiate the inclusion of Parklife sites in The FA's energy purchasing consortium, realising significant savings for the operators to reinvest in the Parklife project.

In the face of growing energy prices, tightening legislation and increasing consumer scepticism, the sum of Wembley's achievements across each priority area is to strengthen business resilience. Whilst Wembley has a social obligation to increase the efficiency of processes and reduce consumption, the business case for managing the stadium's impacts is beyond doubt; through the management of an Environmental Management System (EMS) aligned to ISO14001 the FA and Wembley Stadium will continue to manage and monitor their environmental impacts.

Approved by the Board of Directors
and signed on behalf of the Board on 25th October 2016



Martin Glenn

Chief Executive Officer

The Football Association

The Football Association Limited

Strategic report (continued)

Financial review

Investments in the game

The key financial metric of the Group is the amount invested back into the game. During the 2016 season the Group invested £125 million into the game, surpassing the previous record of £117 million invested in 2015. The investments into the game are critical in supporting The FA's strategic priorities. Among other areas, the Group increased its investments into coaching and participation, disability football, refereeing and women and girls football in 2016. Alongside this the Group invested £10.0 million into the Parklife scheme as outlined within The Chief Executive Officer's review of the year.

A breakdown of the £125 million investment in the current season can be seen as:

	2016	2015	Change
	£'m	£'m	£'m
Coaching & Participation	12	11	1
County FAs	17	18	(1)
Disability, Equality and Child Protection	4	4	-
FA Competition prize funds	36	38	(2)
Facilities	15	13	2
Other football governing bodies(*)	18	18	-
Female football development	5	4	1
Parklife	10	-	10
Other Investments	8	11	(3)
	125	117	8

**Other football governing bodies include, English Football League, Professional Footballers' Association and Professional Game Match Officials*

Other than the investment within Parklife, key movements include a reduction in FA Competition prize funds as a result of a reduction in ticket prices during the season for semi-finals and finals of the Emirates FA Cup, which in-turn forms part of the prize funds redistributed. A reduction in investments in County FA's and other investments is to offset the increased investment in coaching and participation alongside football development due to a renewed focus on these areas.

Savings and investment

In the prior season annual report as part of the The Chief Executive Officer's review of the year it was announced that The FA Group was targeting savings of £30 million a year against the previous Four Year Financial Plan across the Group to reprioritise our investment into the game through a focus on elite England teams, facilities and grassroots coaching.

In the current season The FA achieved £25.4 million of cash savings, achieved through a reduction in payroll costs (£6.5 million), non-payroll costs (£7.5 million) and interest payable (£11.4 million). The FA Group is forecasting to achieve further savings of £2.8 million in the 2016/17 season through a reduction in interest payable (£2.0 million) and payroll costs (£0.8 million). This will have delivered annualised savings of £28.2 million against the previous financial plan.

These savings have allowed The FA Group to invest an additional £10 million into the Parklife programme and £3.6 million into recruiting and retaining staff to support the football related activities of the Group, which subsequent to restructure is now realigned to 65% football related staff and 35% business support staff during the current season. The FA Group plans to invest further in the recruitment of football related staff and in other areas to support the delivery of the 2016-2020 Strategic Priorities.

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Strategic report (continued)

Financial review (continued)

Financial performance

Increased investment into the game was supported by strong revenue in the season of £369.7 million (2015: £318.1 million). The increase in revenue was driven by three main factors. Firstly given 2016 was a tournament year for the England senior men's team, with higher revenue generated in the year from both the prize money from UEFA Euro 2016 and broadcasting income from the increased England fixture schedule in the lead up to the tournament.

Revenue from Wembley Stadium increased in 2016 as a result of an increase in the event calendar in the year, with 35 events held during the 2016 season compared to 28 in 2015. Whilst this included an additional England Senior men's match, Wembley also hosted four additional concerts alongside two 2015 Rugby World Cup Games.

Sponsorship revenues were higher in 2016, primarily due to Emirates becoming the lead partner for The Emirates FA Cup from the 2015-16, with there being no lead sponsor in the prior season.

The FA has sold all of its long-term domestic and international broadcasting rights through to July 2018. The increase in the Group's revenues led to an increase in cost of sales in the year, up £21.5 million to £82.2 million (2015: £60.7 million). The increase mirrors the increase in revenue, with the greatest impact coming from incurring tournament costs for participating at the 2016 Euro's and from an increase in the event calendar.

Operating costs increased by £20.9 million to £258.5 million (2015: £237.6 million). £14.3 million of this increase was due to the movement in the fair value of the Group's forward foreign currency contracts. A gain, of £2 million was recognised in 2015 compared to a loss of £12.4 million in 2016. Additional expenditure of £3 million in relation to the reorganisation of The FA was incurred during the current season, on top of £10.4 million recognised in the prior season. Investments within the game are recognised within operating expenses and therefore the additional increase in investments of £8.0 million discussed above makes up part of the increase. The remainder of the increase relates to Euro 2016 participation costs and development and governance costs as we invest more in our strategic objectives.

During the season, finance costs decreased by £10.9 million to £18.2 million (2015: £29.1 million), as a result of the refinancing of the Group's debt facilities (see below for further details). This has resulted in more favourable interest rates attached to the Group's borrowings, compared to those on the previous facilities. Included within finance costs is £10.0 million of costs in relation to the close out of the interest rate swap and write off of capitalised borrowing costs both attached to the previous facilities.

The Group's tax charge has decreased by £3.8 million to a charge of £3.6 million, reflecting the profit before tax in the 2016 season compared to the loss recognised in 2015, following strong revenue growth and a decrease in finance costs following the refinancing.

The profit after tax is reduced by the actuarial loss of £2.3 million (2015: £0.4 million loss) on the remeasurement of the Group's final salary pension scheme, resulting in a total comprehensive income in the 2016 season of £4.7 million (2015: loss of £9.6 million).

Financial position

The net assets of the Group as at 31 July 2016 have increased by £4.8 million over the previous twelve months, to £121.9 million (2015: £117.1 million).

Wembley Stadium and St. George's Park are the Group's key tangible fixed assets. Tangible fixed assets decreased by £32.1 million to £590.0 million (2015: £622.1 million). The decrease represents the depreciation charge in the year of £36.0 million partly, offset by fixed asset additions during the year of £6.4 million and disposals of £2.5 million.

The Group has total debtors of £45.6 million (2015: £52.7 million), which include amounts owed from sponsors, broadcasters and Club Wembley members, in addition to prepayments and accrued income.

During the current season the Group settled its obligations under its existing bank financing arrangements in full and closed out its interest rate swap. New financing has been secured in the form of a £300.0 million loan facility, with £200.0 million available under a Revolving Credit Facility 'RCF' and £100.0 million borrowed under a term loan. The new financing arrangements are on more favourable terms, reducing the Group's annual interest commitments to enable the Group to increase its investments into the game and work towards fulfilling its strategic priorities.

The main liabilities on the balance sheet are the aforementioned banking facilities and the finance lease obligations on the sale and leaseback facility for the hotel at St. George's Park. The amount drawn down of the RCF and term loan amounted to £195.0 million (2015: £251.6 million), net of unamortised arrangement fees. The Group manages the RCF on a monthly basis in order to meet the cash requirements of the Group. The term loan is due for repayment in October 2018 and the RCF expires in 2022. The outstanding obligation under the finance lease for St. George's Park is £49.8 million (2015: £50.0 million).

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Strategic report (continued)

Financial review (continued)

At season end, net debt of the Group was £177.4 million (2015: £139.6 million). The movement in net debt is as follows:

	2015	Repayment of WNSL bank facilities	Repayment of interest rate swap	Interest payment on previous facility	Net Drawdown of FA facilities	Other cash movements	Total Movement	2016
£' million								
WNSL Borrowings	(251.7)	251.7	-	-	-	-	251.7	-
FA Borrowings Term	-	-	-	-	(100.0)	-	(100.0)	(100.0)
FA Borrowings RCF	-	-	-	-	(95.0)	-	(95.0)	(95.0)
Finance Lease	(50.0)	-	-	-	-	0.2	0.2	(49.8)
Total borrowings	(301.7)	251.7	-	-	(195.0)	0.2	56.8	(244.8)
Cash	162.1	(251.7)	(62.5)	(6.7)	195.0	31.2	(94.6)	67.4
Net Debt	(139.6)	-	(62.5)	(6.7)	-	31.4	(37.8)	(177.4)

Covenant compliance certificates are provided to the bank on a half annual basis. There is significant headroom on the covenants attached to the banking facilities.

Cash flows

During the year there was a net decrease in cash of £94.7 million to £67.4 million (2015: £162.1 million). There was a net cash inflow in the year from operating activities of £16.2 million (2015: £72.3 million). This reduction was in part due to the payment of amounts provided for in the prior season and timing differences in the receipt of significant contractual broadcasting and sponsorship payments which were received prior to year end (31 July) in the prior season compared to subsequent to year end (1 August) in the current season. A significant reduction in the Group's cash was in relation to the financing facilities. The Group made net interest payments of £10.7 million (£6.7 million WNSL facilities £4.0 million The FA facilities) (2015: £23.2 million), made repayments on the Group's borrowings of £251.6 million (2015: £11.9 million) and £62.5 million in relation to derivative contracts associated with these borrowings (£54.8 million of the costs associated with the interest rate swap had been recognised in the prior season). The Group received £195.0 million (2015: £NIL) from drawdowns on new banking facilities and repayment on the amounts loaned to bank of £23.5 million (2015: £1.1 million). Key movements in investing activities related to £6.4 million (2015: £9.7 million) purchase of tangible fixed assets.



Mark Burrows

Chief Financial Officer

The Football Association

The Football Association Limited

Directors' report

The directors present their annual report on the affairs of the Group, together with the financial statements and auditor's report, for the year ended 31 July 2016.

As permitted under section 414C(11) of the Companies Act 2006, the following disclosures required by regulations made under section 416(4) have been included in the Strategic Report and form part of this report by cross-reference:

- Financial risk management objectives and policies (refer to the Principal risks and uncertainties section); and
- Events which have occurred since the end of the financial year (refer to the Chief Executive Officer's review of the year section).

Going concern

The directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in Note 1 (c) to the financial statements.

Dividends

In accordance with The FA's Articles of Association, no share shall entitle the holder thereof to any payment in respect of dividend.

Equal opportunities

The FA Group actively promotes equal opportunities in employment and welcomes applications from all sections of the community. We are committed to inclusive practices and treating all applicants, employees and participants fairly, regardless of age, gender, race, nationality, ethnic origin, colour, sexual orientation, gender reassignment, marital status, religion or belief, ability or disability.

The FA's commitment is to work in partnership with all the football bodies and campaign groups such as Kick It Out to implement a zero tolerance policy to discrimination in all its forms.

The FA Group is committed to equality monitoring of its employees and we are in the process of implementing an online system to collate the relevant data to inform our inclusion practices and to identify areas of support that are required for the workforce.

The FA Group has an Inclusion Advisory Board with a remit that includes advising The FA on widening diversity in The FA Group's wider football workforce.

Disabled employees

The FA Group is an equal opportunities employer and makes reasonable adjustments as needed.

Employee consultation

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through formal and informal meetings, an employee consultation forum, staff surveys and a recently enhanced staff intranet.

Corporate governance

The Board

The Board is responsible for The FA's overall strategy, all financial matters and oversees operating and financial performance and the system of internal control.

The Board receives a summary report from the Chief Executive Officer as a standing item at each meeting and considers other matters which require noting or approval.

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Directors' report (continued)

The Board comprises 12 directors, being the Chairman, the Chief Executive Officer, four non-executive directors from the National Game, four non-executive directors from the Professional Game and two independent non-executive directors.

Non-Executive Chairman: Greg Clarke

Greg became the Independent Chairman of The Football Association in August 2016. Greg has a wealth of football experience, having spent six years as Chairman of the English Football League, prior to which he was on the Board and then Chairman of Leicester City FC. During a distinguished business career, he was CEO of Cable & Wireless and a non-executive Board director of BUPA. For the past four years, he has been Chairman of the Met Office and he is also Chairman of the FTSE 250 Company, Redefine International. Greg will serve on the Remuneration and Finance Sub-Committees.

Executive Director: Martin Glenn, Chief Executive Officer

Martin was named as The FA's Chief Executive Officer in 2015. Prior to taking up his role at The FA, he worked as CEO at United Biscuits, a £1 billion company, home to the McVitie's and Jacobs brands. Martin came to prominence during his time at Walkers Snack Foods in 1992, where he increased their market share from the mid-20s to more than 60%. He became company president in 1998 and ran the business until 2006, when he left to join Birdseye, which had been acquired from Unilever for £1.2 billion. In 2003, he was awarded Marketing Week's CEO of the Year, and in 2004 was voted the UK's most influential marketer by Marketing Magazine. An FA qualified grassroots coach, Martin is also a former Leicester City FC non-executive Director, having sat on the Club's Board between 2002 and 2006. Martin sits on the Women's Football Board and Finance Sub-Committee.

National Game Representatives

Barry Bright

Barry serves as one of the four National Game Directors on The FA Board and is also the Leader of The FA Council. Barry was first appointed on to The FA Council in 1984 and is now a Vice-President of The FA and a member of the National Game Board, Judicial Panel, National Game Finance Committee and League Finance Committee. Barry also serves as a Trustee of The FA's National Sport Centre Trust and Benevolent Fund. A retired surveyor/estate agent, Barry has previously served as Chairman of Sittingbourne FC and Chief Executive of Gillingham FC and was a member of the Kent Police Authority. Barry is the Chairman of Kent County Football Association and his role extends into international football, serving as a member of UEFA's Disciplinary Appeals Body.

Robert Cotter

Bob was first appointed onto The FA Board in July 2016, having been appointed to The FA Council in 2009 as representative of Northamptonshire County FA. He is a member of the National Game Board and also serves on the Youth, Small-Sided, League Finance and Finance Sub-Committees. He is the Chairman of Northamptonshire County FA and a former primary school head teacher.

Mervyn Leggett

Mervyn was appointed onto the Board in 2010 and is a Vice-President of The FA, having previously been appointed onto The FA Council as the representative for Worcestershire County FA in 1992. He is Chairman of the National Game Board and also serves on Women's Football Board, Women's Committee, Leagues' Committee and Facilities Committee. Mervyn also serves as a Trustee of The FA's National Sport Centre Trust and Benevolent Fund. Mervyn had a career in the Sports Insurance industry prior to being appointed as the Chief Executive of Worcestershire County FA, a position he stepped down from in 2012.

Jack Pearce

Jack was appointed onto the Board in 2015, having first been appointed as a Divisional Representative on The FA Council in 2001. Jack serves on the National Game Board, Remuneration Committee, Judicial Panel, League Finance Committee and Alliance Committee, the latter of which he chairs. Jack was formerly a player and manager of Bognor Regis Town and continues to serve the club as its General Manager and Vice-Chairman. Jack is a Board member of the National League and a Council member of Sussex County FA.

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Directors' report (continued)

Professional Game representatives

David Gill

David was appointed onto the Board in 2006 and is a Vice-Chairman of The FA. He was appointed onto The FA Council as a representative of The FA Premier League in 2004. David is a member of UEFA's Executive Committee having been elected in May 2013 and was elected on to FIFA's Executive Committee (now the FIFA Council) in 2015. A chartered accountant by profession, David was formerly Chief Executive of Manchester United FC having been previously appointed as the Club's Finance Director in 1997. He remains a non-executive director of the Club. David has previously held finance roles at Proudfoot Consulting Plc and First Choice Holidays Plc.

Peter McCormick

Peter was appointed onto the Board and Council in August 2015 as a representative of the Premier League and also serves on the Professional Game Board and Remuneration Committee. Peter is Chairman of the Legal Advisory Group of the Premier League and Chairman of the League's Football Board, both Executive positions. Peter was Chairman of the Premier League in 2014-15. Peter chairs Tribunals and Appeals for the Premier League, Football Association and Professional Game Match Officials Ltd. He is Chairman of Football Stadia Improvement Fund Ltd, a Trustee of the Football Foundation and a Chairman of Sport Resolutions (UK). Peter heads the Corporate and Commercial team at McCormicks Solicitors. He is an internationally recognised expert in Sports, Media and Entertainment Law. Peter is also a leading national figure in Charities Law and was awarded the OBE for services to charity on 1 January 2000.

Jez Moxey

Jez was appointed onto the Board in May 2016 as a representative of the English Football League. Prior to this, Jez served as a Premier League representative on The FA Council from 2010 until 2012 and then returned as a Divisional Representative in 2013. From 2016, Jez serves as a representative of the English Football League and is a member of the Professional Game Board, Finance Sub-Committee, Judicial Panel and Membership Committee. Jez has been a Board Director of the English Football League since 2015 and is the CEO of Norwich City FC. Prior to this, Jez served as CEO of Wolverhampton Wanderers FC since 1995 having previously worked with both Glasgow Rangers FC and Partick Thistle FC.

Jim Rodwell

Jim was appointed onto the Board in July 2016 as a representative of the English Football League and has served on The FA Council since 2014. Jim is also a member of the Professional Game Board. He has been a Board Director of the English Football League since 2015 arising from his position as CEO of Scunthorpe United FC. Jim was previously the CEO of Notts County FC and former Chairman of Boston Utd FC, a club he also served as a player.

Independent Non-Executive Directors

Roger Devlin

Roger was appointed onto the Board in 2012 and brings a genuine passion for sport and football. In particular he was awarded a golf blue while reading law at Oxford, is Chairman of the business committee of the R&A and a member of the Racehorse Owners' Association. Roger was an executive director of Hilton International and Ladbrokes and now chairs a number of substantial companies including Satellite Information Services and Marstons the FTSE 250 pubs and brewery group. He has been a financial advisor to a number of Premier League clubs and demonstrates an excellent understanding of the business of football, as well as being a valued counsellor to St. George's Park. Roger serves on The FA's Group Audit Committee and Finance Sub-Committee, the latter of which he chairs.

Heather Rabbatts DBE

Heather became The FA's first female Board member when she was appointed in 2012. Heather was born in Kingston, Jamaica, trained as a barrister but made her name as the youngest local authority chief executive and subsequently went on to run the London Boroughs of Lambeth, Merton and Hammersmith and Fulham. She then left the public sector and worked in the private sector, primarily in media, before becoming the Executive Deputy Chair of Millwall FC in 2006. Heather has held a number of senior positions including Governor of the BBC and the London School of Economics, Trustee of the British Council, and a non-executive director of Crossrail, the UK Film Council, Bank of England, Grosvenor and the Royal Opera House. She was awarded a DBE in the 2016 New Year Honours list. Heather serves on The FA's Remuneration Committee and chairs the Inclusion Advisory Board.

Independence

The Articles provide the definition of independence for the independent non-executive directors and the Chairman. At the time of their appointment, the Chairman or independent non-executive directors shall not be a member of The FA Council or be an employee, director or officer, or have a material business relationship with an organisation within the football family.

The Football Association Limited

Directors' report (continued)

The Chairman and independent non-executive directors are appointed by the Council following a recommendation by the Nominations Committee and endorsement by the Board on a three-year term of office. The Chief Executive Officer is appointed by the Board. The National Game directors are elected by the National Game Representatives on Council and each is subject to re-election at least every three years. The Professional Game directors are appointed annually by The FA Premier League (two directors) and The English Football League (two directors).

There is a clear division of responsibility between the roles of Chairman and Chief Executive Officer. The Chairman provides strong leadership for the Board on all aspects of its role and maintains effective relationships with key stakeholders in football both domestically and internationally. The Chief Executive Officer has executive responsibility for delivering strategies and programmes in line with the Board's direction.

The Board is empowered to appoint committees, incorporating independent membership, as it considers appropriate. The committees of the Board are:

- The National Game Board (with a number of sub-committees);
- The Professional Game Board (with one sub-committee);
- Group Audit Committee;
- Remuneration Committee;
- Nominations Committee;
- Finance Sub-Committee;
- Inclusion Advisory Board;
- Women's Football Board; and
- Health and Safety Committee.

Group Audit Committee

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness at least annually. Such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The FA Board has established a Group Audit Committee (the "GAC") with a mandate to provide independent oversight on the following matters across The FA Group:

- Governance, including risk management and internal control;
- External audit arrangements;
- Internal audit arrangements;
- The appropriateness of financial reporting; and
- Compliance, whistleblowing and fraud.

The GAC's remit includes all operations and activities undertaken by The FA Group, covering the consolidated Group and the individual entities: The Football Association Limited, Wembley National Stadium Limited and National Football Centre Limited.

During the year the GAC was comprised of an independent chairman, I Nunn, alongside R Devlin (Non-executive board director) and two members, M Reilly and V Vaghela. The independent chairman and independent members have no connections with The FA such as through a material business relationship or by representing a shareholder. As well as bringing independence and objectivity, these members are appointed onto the GAC in view of the skills, experience and professional qualifications they can bring to the role. The GAC typically meets four times per year, with one meeting including the review of the financial statements of the Group.

The GAC reviews reports from management, internal audit and external audit on the Group's system of internal control and risk management, specifically those that support the integrity of the financial statements. The GAC also reviews and, where necessary, challenges the judgements of management in relation to the preparation of the financial statements.

Remuneration Committee

The Remuneration Committee comprises P McCormick OBE, H Rabbatts DBE, J Pearce and G Clarke. It is responsible for advising the Board on the pay and terms and conditions of the Chief Executive Officer and members of senior management. In discharging its duties, the Remuneration Committee takes independent advice where appropriate. The remuneration policy is designed to attract, retain and motivate executive directors to deliver the business strategy. Remuneration arrangements for senior positions incorporate performance measures which link to the business plan and individual performance criteria.

The Football Association Limited

Directors' report (continued)

Nominations Committee

The Nominations Committee is appointed and meets as and when required and has responsibility for identifying and nominating candidates for the positions of independent non-executive director and Chairman. In doing so, the Committee uses the services of external recruitment consultancies and openly advertises the positions.

Finance Sub-Committee

The Finance Sub-Committee is chaired by R Devlin and comprises G Clarke, B Cotter, J Moxey and M Glenn. The Committee makes recommendations to the Board on the approval of key financial issues, including the annual budgets for The FA Group, the National Game and Professional Game, The FA Group's cash forecasts and medium term financial plan.

Inclusion Advisory Board

The Inclusion Advisory Board ("IAB") was established in 2013 and provides advice to the Board in respect of inclusion matters, including the monitoring of football's Inclusion and Anti-Discrimination Action Plan. The IAB is chaired by H Rabbatts DBE and comprises P Clayton (FA Council Member) and G Le Saux, S Alexander, R Akhtar, R Jain and P Elliott who are each independent from The FA and bring knowledge and experience of inclusion and anti-discrimination matters.

Women's Football Board

The Women's Football Board ("WFB") manages all strategic and operational matters relating to women's and girls' football within the policy framework and budget set by the Board. This includes the management of The FA Women's Super League. The WFB is chaired by S Hough MBE and comprises M Leggett, E Oram, M Glenn, S Alexander and K Simmons.

Health and Safety Committee

The Health and Safety Committee is responsible for overseeing health and safety matters within The FA Limited and to ensure that The FA is discharging its statutory and regulatory obligations. The Committee is chaired by M Leggett and comprises other members of The FA's executive. A review of the governance arrangements for the management of health and safety across The FA Group was carried out in 2016 and the recommendations arising from this will be implemented in due course.

The FA Council

The role of The FA Council is to regulate football matters including disciplinary matters, referees and match and competition sanctioning.

The FA Council delegates areas of responsibility to numerous standing committees, which have various sub-committees and working groups. The current standing committees are: Referees Committee, Protocol Committee, Leagues Committee, Membership Committee, Sanctions & Registrations Committee, Alliance Committee, Youth Committee and Representative Matches Committee.

The Council comprises representatives from different constituencies of the game, including County FAs, the Premier League and English Football League, various leagues within the National League System, managers, players and supporters.

The Football Regulatory Authority ("FRA") is the regulatory, disciplinary and rule-making body of The FA. Membership of the FRA consists of four representatives from each of the National Game and Professional Game and a further four independent members.

The Judicial Panel is a group of individuals from which Regulatory Commissions and Appeal Boards are drawn. This includes Council Members, individuals with experience of the game of football and professionally qualified members such as Barristers and Solicitors. The Regulatory Commissions have the authority to impose penalties or other sanctions for breach of The FA's Rules, with the Appeal Boards established to hear cases and appeals in prescribed circumstances.

Directors and their interests

The persons listed below served as directors of the Company throughout the year, except as noted. Each of the directors held a non-beneficial ownership of one share in the Company.

The Board generally meets on a monthly basis and met thirteen times during the reporting period. The attendance of directors at each meeting of the Board was as follows. Figures in brackets indicate the maximum number of meetings during the year in which the individual was a Board Director.

The Football Association Limited

Directors' report (continued)

Name	Role	Date resigned/ appointed	Scheduled Board meetings
G Clarke	Chairman	Appointed 24 August 2016	0 (0)
G Dyke	Chairman	Resigned 22 July 2016	12 (12)
B W Bright	Leader of FA Council, Vice-President		13 (13)
R F Burden	FA Vice-Chairman, Vice-President	Resigned 22 July 2016	13 (13)
R Devlin	Independent Non-Executive		13 (13)
D Gill	FA Vice-Chairman, The FA Premier League, Manchester United FC		13 (13)
M Glenn	Chief Executive Officer		13 (13)
K Lamb	The English Football League, Middlesbrough FC	Resigned 9 May 2016	9 (9)
M R Leggett	Vice-President		13 (13)
I Lenagan	The English Football League, Oxford United FC	Resigned 10 June 2016	10 (10)
P McCormick OBE	The FA Premier League		13 (13)
J Moxey	The English Football League, Norwich City FC	Appointed 9 May 2016	4 (4)
J Pearce	Divisional Representative, Bognor Regis Town FC		13 (13)
H Rabbatts DBE	Independent Non-Executive		13 (13)
J Rodwell	The English Football League, Scunthorpe United FC	Appointed 1 July 2016	3 (3)
R Cotter	Northamptonshire CFA	Appointed 22 July 2016	0 (0)

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



Richard McDermott
Company Secretary

The Football Association

25th October 2016

The Football Association Limited

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FOOTBALL ASSOCIATION LIMITED

We have audited the financial statements of The Football Association Limited for the year ended year ended 31 July 2016 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statement of Changes in Equity, the Consolidated Cash Flow Statement and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 July 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

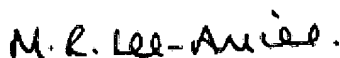
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Mark Lee-Amies FCA (Senior statutory auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London, United Kingdom

27 October 2016

The Football Association Limited

Consolidated profit and loss account Year ended 31 July 2016

	Note	2016 £'000	2015 £'000
Turnover	3	369,675	318,061
Cost of sales		<u>(82,223)</u>	<u>(60,737)</u>
Gross profit		287,452	257,324
Investments into the game		<u>(125,287)</u>	<u>(116,707)</u>
Operating expenses		<u>(118,379)</u>	<u>(112,732)</u>
Restructuring and reorganisation costs	5	<u>(2,950)</u>	<u>(10,442)</u>
Remeasurement of forward foreign currency contracts	17	<u>(11,896)</u>	<u>2,308</u>
Total operating expenses		<u>(258,512)</u>	<u>(237,573)</u>
Operating profit		28,940	19,751
Finance costs		<u>(13,778)</u>	<u>(22,498)</u>
Remeasurement of interest rate swap	17	<u>(4,457)</u>	<u>(6,561)</u>
Total finance costs (net)	4	<u>(18,235)</u>	<u>(29,059)</u>
Profit/(loss) on ordinary activities before taxation	5	10,705	(9,308)
Tax on profit/(loss) on ordinary activities	8	<u>(3,643)</u>	<u>159</u>
Profit/(loss) for the financial period	9	<u>7,062</u>	<u>(9,149)</u>

All the above results are derived from continuing operations.

Consolidated statement of comprehensive income Year ended 31 July 2016

	Note	2016 £'000	2015 £'000
Profit/(loss) for the financial period		7,062	(9,149)
Remeasurement of net defined benefit liability	21	<u>(2,302)</u>	<u>(441)</u>
Total comprehensive income/(expense) for the period		<u>4,760</u>	<u>(9,590)</u>

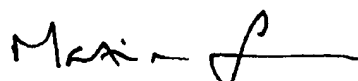
The Football Association Limited

Consolidated balance sheet As at 31 July 2016

	Notes	2016 £'000	Restated 2015 £'000
Fixed assets			
Intangible assets	10	233	239
Tangible assets	11	589,962	622,100
Fixed asset investments	12	-	23,517
		<u>590,195</u>	<u>645,856</u>
Current assets			
Stock		570	602
Debtors due within one year	13	45,397	46,612
Debtors due after more than one year	13	224	6,038
Cash at bank and in hand		67,393	162,124
		<u>113,584</u>	<u>215,376</u>
Creditors: amounts falling due within one year	14	<u>(194,366)</u>	<u>(223,308)</u>
Net current liabilities		<u>(80,782)</u>	<u>(7,932)</u>
Total assets less current liabilities		509,413	637,924
Creditors: amounts falling due after more than one year	15	(377,182)	(504,564)
Provisions for liabilities	16	(7,000)	(14,609)
Net assets excluding pension liability		125,231	118,751
Pension liability	21	<u>(3,356)</u>	<u>(1,636)</u>
Net assets including pension liability		<u>121,875</u>	<u>117,115</u>
Capital and reserves			
Called up share capital	18	-	-
Profit and loss account	18	121,875	117,115
Shareholders' funds		<u>121,875</u>	<u>117,115</u>

These financial statements of The Football Association Limited, company number 00077797, were approved by the Board of Directors on 25th October 2016.

Signed on behalf of the Board of Directors



Martin Glenn
Chief Executive Officer


The Football Association Limited

Company balance sheet As at 31 July 2016

	Notes	2016 £'000	Restated 2015 £'000
Fixed assets			
Tangible assets	11	5,065	6,998
Fixed asset investments	12	230,001	253,518
		<u>235,066</u>	<u>260,516</u>
Current assets			
Debtors due within one year	13	25,154	32,679
Debtors due after more than one year	13	370,213	117,005
Cash at bank and in hand		30,013	81,470
		<u>425,380</u>	<u>231,154</u>
Creditors: amounts falling due within one year	14	<u>(102,741)</u>	<u>(123,608)</u>
Net current assets		<u>322,639</u>	<u>107,546</u>
Total assets less current liabilities		<u>557,705</u>	<u>368,062</u>
Creditors: amounts falling due after more than one year	15	<u>(196,419)</u>	<u>(11,385)</u>
Provisions for liabilities	16	<u>(602)</u>	<u>(11,461)</u>
Net assets excluding pension liability		<u>360,684</u>	<u>345,216</u>
Pension liability	21	<u>(3,356)</u>	<u>(1,636)</u>
Net assets including pension liability		<u>357,328</u>	<u>343,580</u>
Capital and reserves			
Called up share capital	18	-	-
Profit and loss account	18	357,328	343,580
Shareholders' funds		<u>357,328</u>	<u>343,580</u>

These financial statements of The Football Association Limited, company number 00077797, were approved by the Board of Directors on 25th October 2016.

Signed on behalf of the Board of Directors



Martin Glenn
Chief Executive Officer

The Football Association Limited

Consolidated statement of changes in equity As at 31 July 2016

	Share capital £'000	Profit and loss account £'000	Total £'000
At 31 July 2015	-	117,115	117,115
Profit for the financial year	-	7,062	7,062
Remeasurement of net defined benefit liability	-	(2,302)	(2,302)
Total comprehensive profit	-	4,760	4,760
Balance at 31 July 2016	-	121,875	121,875

Company statement of changes in equity As at 31 July 2016

	Share capital £'000	Profit and loss account £'000	Total £'000
At 31 July 2015	-	343,580	343,580
Profit for the financial year	-	16,050	16,050
Remeasurement of net defined benefit liability	-	(2,302)	(2,302)
Total comprehensive income	-	13,748	13,748
Balance at 31 July 2016	-	357,328	357,328

The Football Association Limited

Consolidated Cash flow statement Year ended 31 July 2016

	Notes	2016 £'000	2015 £'000
Net cash flows from operating activities	19	16,164	72,288
Cash flows from investing activities			
Interest received		525	1,579
Purchase of tangible fixed assets		(6,395)	(9,656)
Proceeds from sale of tangible fixed assets		-	132
Net cash flows from investing activities		(5,870)	(7,945)
Cash flows from financing activities			
Repayments of borrowings		(251,613)	(11,876)
Receipt of borrowings		195,000	-
Interest paid		(10,658)	(23,203)
Repayments of obligations under finance leases		(160)	(89)
Repayment of interest rate swap		(62,527)	-
Receipt of repayments of amounts loaned to bank		23,517	1,095
Net cash flows from financing activities		(106,441)	(34,073)
Net decrease in cash and cash equivalents		(96,147)	30,270
Cash and cash equivalents at beginning of year		162,124	131,790
Effect of foreign exchange rate changes		1,416	64
Cash and cash equivalents at end of year		67,393	162,124

The Football Association Limited

Notes to the financial statements Year ended 31 July 2016

1. Accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding period.

a) General information and basis of accounting

The Football Association Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Group's operations and its principal activities are set out in the Strategic report.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the Group is considered to be pounds sterling because that is the currency of the primary economic environment in which the Group operates. The consolidated financial statements are therefore presented in pounds sterling.

The Company has taken advantage of the disclosure exemptions available to it under FRS 102 in respect of related party transactions in relation to intra-group transactions.

b) Basis of consolidation

The Group's financial statements consolidate the results of the Company and its subsidiary undertakings drawn up to 31 July each year. The results of subsidiary undertakings acquired or disposed of in the period are consolidated for the periods from or to the date on which control passed.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations affected prior to the date of transition.

c) Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report. The Strategic report also outlines the financial position of the Group, its cash flows, liquidity position and borrowing facilities. At the period end, the Group has net current liabilities of £80.8 million (2015: £7.9 million) which included £130.3m of deferred income. In addition, the Strategic report includes a summary of the principal risks and uncertainties affecting the Group.

In October 2015, the Group settled its debt obligations under its existing financing arrangements in full and entered into new financing agreements with a new syndicate of lenders. The new borrowing arrangements make £300.0 million of new cash available to the Group in the form of borrowings, with £200.0 million available under a Revolving Credit Facility and £100.0 million borrowed under a Term Loan. At 31 July 2016 the group has £105.0m undrawn on its banking facilities. Further details are included in Note 15.

The directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis of accounting in preparing the annual report and accounts.

The Football Association Limited

Notes to the financial statements (continued) Year ended 31 July 2016

1. Accounting policies (continued)

d) Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income.

Turnover for the Group's primary classes of business is accounted for as follows:

Broadcasting – Turnover derived from broadcasting contracts is recognised straight line over the period covered under such contracts.

Sponsorship and licensing – These are recognised in line with the rights provided, under each contract.

Club Wembley – Turnover is recognised from when the licence agreement has been signed and the licence period has commenced and licence fee turnover is spread evenly across the term of the licence agreement. When a customer first joins Club Wembley, turnover is recognised when the licence agreement has been signed and the licence period has commenced. For subsequent seasons, a transaction is recognised when the customer is invoiced. The season fee is spread evenly across the period to which it relates (1 August to 31 July if a full season).

Events – Turnover is recognised when the relevant event takes place.

Grant income – Turnover is recognised over the period in which the related costs are recognised.

St. George's Park – Turnover from the use of hotel, conference and sports facilities is recognised in line with when the facilities are used. St. George's Park sponsorship and related turnover is recognised in line with the rights provided, under each contract. Turnover from FA Learning activity is recognised in line with the course dates for educational courses and on physical delivery of the goods to the customers for educational materials.

e) Barter transactions

Turnover is recognised in respect of barter transactions only where services are exchanged for dissimilar services and the transaction is deemed to have commercial substance. Such transactions are measured at the fair value of the services received, adjusted by any amount of cash and cash equivalents transferred.

f) Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction (or where appropriate, at the rate of exchange in related forward foreign exchange contracts). Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

g) Distributions to the game

Distributions to the game comprise grants and donations that are made to both the Professional Game and National Game. These are recognised when a constructive obligation arises, and are charged to the profit and loss account in the period to which the distribution relates.

The Football Association Limited

Notes to the financial statements (continued) Year ended 31 July 2016

1. Accounting policies (continued)

h) Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profit and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profit from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if the Group has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

i) Employee benefits

For defined benefit schemes the amounts charged to operating profit are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to profit or loss and included within finance costs. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

The Football Association Limited

Notes to the financial statements (continued) Year ended 31 July 2016

1. Accounting policies (continued)

j) Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as assets at the fair value of the leased asset and are depreciated over the shorter of the lease terms and their useful lives. In respect of the finance lease entered into in relation to the hotel at St. George's Park, the lessor provided funding at the inception of the lease in order for the Group to construct the hotel. At inception of the lease the asset was recorded in other debtors. As construction occurred, amounts were drawn down from an escrow account, reducing the other debtor, and construction costs incurred were capitalised as part of the assets under construction within tangible fixed assets.

The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

k) Intangible fixed assets

The Group holds an intangible asset which represents the cost attributed to intellectual property on the acquisition of Wembley Stadium. The intellectual property rights are being amortised using the straight line method over a useful economic life in line with the Stadium fixed assets. An impairment review is performed annually.

l) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairment. No depreciation is charged in respect of land. Depreciation is provided on all other tangible fixed assets on a straight line basis, at rates calculated to write off the cost of those assets over their useful expected lives, and incorporating any residual value, as follows:

Stadium	The assets that comprise the Stadium have been categorised into operating classes and depreciated according to the useful economic life of that class. Useful economic lives range from 5 to 50 years.
Land and buildings (St Georges Park)	No depreciation is charged in respect of land. Building assets are categorised into operating classes and depreciated accordingly over the useful economic lives which range from 5 to 50 years. Long leasehold property is depreciated over the remaining life of the lease if less than 50 years, otherwise not depreciated.
Leasehold improvements	15 years.
Fixtures, fittings, plant and equipment	3 years for computer equipment, 3 to 10 years for plant and machinery and 8 to 10 years for fixtures and fittings.
Assets in the course of construction	Not depreciated until brought into use.

m) Borrowing costs

Borrowing costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. The commencement of capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

The Football Association Limited

Notes to the financial statements (continued) Year ended 31 July 2016

1. Accounting policies (continued)

n) Fixed asset investments

Fixed asset investments are shown at cost less provision for impairment.

o) Stock

Stock is stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

p) Non-derivative financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- Returns to the holder are (i) a fixed amount; or (ii) a fixed rate of return over the life of the instrument; or (iii) a variable return that, throughout the life of the instrument, is equal to a single referenced quoted or observable interest rate; or (iv) some combination of such fixed rate and variable rates, providing that both rates are positive.
- There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in relevant taxation or law.
- There are no conditional returns or repayment provisions except for the variable rate return described in (a) and prepayment provisions described in (c).

Debt instruments that are classified as payable or receivable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Arrangement fees for the Group's funding are offset against the bank loan and are being amortised over the term of the bank loan. Finance costs, including amortisation of arrangement fees, directly attributable to construction of the stadium were capitalised and are being depreciated on a straight line basis over the life of the Stadium. Borrowing costs incurred from the date of operational completion are charged to the profit and loss account as incurred.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

The Football Association Limited

Notes to the financial statements (continued) Year ended 31 July 2016

q) Derivative financial instruments

The Group uses derivative financial instruments to reduce exposure to foreign exchange risk. The Group does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The Group determines the fair value of its derivative financial instruments using quoted market prices adjusted for credit risk based on an implied probability of default, calculated using accepted valuation techniques. The resulting gain or loss is recognised in profit or loss immediately. No hedge accounting is applied.

The foreign exchange financial instruments must be related to actual foreign currency assets or liabilities or to a probable commitment. It must involve the same currency or similar currencies as the hedged item and must also reduce the risk of foreign exchange movements on the Group's operations.

r) Grants and deferred income

Grants received in respect of capital expenditure are credited to a deferred grant account and are released to the profit and loss account over the expected useful lives of the relevant assets by matching with the relevant depreciation expense. Where a grant relates to an asset which is not depreciated, the grant remains in deferred grants until the end of the asset's life or when the asset is sold.

Revenue grants are credited to income so as to match them with the expenditure to which they relate.

s) Restatement

Due to the contractual terms of our broadcasting and sponsorship agreements we are required to bill them 60 days in advance of payment date. This has resulted in the prior period amounts recognised within trade debtors and deferred income relating to future seasons. As a result of this we have restated the prior season group and company balance sheets to eliminate any trade debtors or deferred income and the related output VAT which relate to future seasons.

Any trade debtors or deferred income and related output VAT which relate to future seasons have been adjusted for accordingly in the current season.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements and key sources of estimation uncertainty in applying the Group's accounting policies

The following are the critical judgements and estimations that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Impairment review of tangible assets

There are a number of assumptions management have considered in performing impairment reviews of the Group's tangible assets, the most significant of which are Wembley Stadium and hotel. The determination of whether the assets are impaired requires an estimation of the value in use of the assets, based upon an estimate of the future cash flows expected to arise from the assets and a suitable discount rate in order to calculate present value.

When testing the stadium assets for impairment a number of assumptions have been used in estimating future cash flows namely the number of events held at the stadium and the renewals of Club Wembley membership.

The discount rate used within the calculation is the 20 year AA UK corporate bond rate.

When testing the hotel assets for impairment a number of assumptions have been used in estimating future cash flows namely the forecast room and occupancy rates of the hotel.

The Football Association Limited

Notes to the financial statements (continued) Year ended 31 July 2016

2. Critical accounting judgements and key sources of estimation uncertainty (Continued)

The discount rate used within the calculation is the interest rate attached to the hotels finance lease.

Valuation of derivative financial instruments at fair value

Management have made a number of assumptions with regard to the fair value of financial instruments at year end. Valuation techniques commonly used by market practitioners are applied. For the Group's derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instrument, which includes a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates.

Provisions

Provisions have been made for the Group's restructuring and reorganisation. These provisions are estimates and the actual costs and timing of future cash flows are dependent on future events. Any difference between expectations and the actual future liability will be accounted for in the period when such determination is made. Details of the Group's provisions are set out in Note 16.

Pension assumptions

There are a number of assumptions management have considered on the advice of actuaries which have an impact on the results of the valuation of the pension scheme liabilities at year end. The most significant assumptions are those relating to the discount rate of return on investments and the rates of increase in salaries and pensions.

3. Turnover

An analysis of the Group's turnover by class of business is set out below.

	2016 £'000	2015 £'000
Turnover:		
Broadcasting	135,907	124,098
Sponsorship and licensing	75,604	58,418
Club Wembley	56,529	55,717
Events	55,876	43,036
Grant income	12,329	12,818
St. George's Park	15,998	15,744
Other income	17,432	8,230
	369,675	318,061

An analysis of the Group's turnover by geographical market is set out below.

Turnover:		
UK	293,974	252,378
Overseas	75,701	65,683
	369,675	318,061

The majority of the Group's turnover is generated in the UK, with turnover generated outside the UK principally from international broadcast providers, grants and tournament income from UEFA and FIFA.

The Football Association Limited

Notes to the financial statements (continued) Year ended 31 July 2016

3. Turnover (continued)

An analysis of the Group's turnover by type is as follows:

	2016 £'000	2015 £'000
Sale of goods	1,649	1,734
Rendering of services	355,500	303,312
Rental income	197	197
Grants	12,329	12,818
	<u>369,675</u>	<u>318,061</u>

Further detail on the Group's grants is provided in Note 15.

Barter transactions

The amount of barter transactions for goods and other services recognised in turnover is £3.2 million (2015: £2.8 million).

Operating lease income

Turnover included operating lease income from letting office space within the Stadium of £0.2 million (2015: £0.2 million).

4. Finance costs (net)

	2016 £'000	2015 £'000
Interest payable and similar charges	9,980	23,149
Less: interest receivable	(525)	(1,409)
Other finance costs (net)	8,780	7,319
	<u>18,235</u>	<u>29,059</u>
Interest payable and similar charges		
Bank interest payable	6,649	19,817
Finance lease interest payable	3,331	3,332
	<u>9,980</u>	<u>23,149</u>
Interest receivable		
Bank interest receivable	<u>525</u>	<u>1,409</u>
Other finance costs (net)		
Movement in fair value of interest rate swap (see Note 17)	4,457	6,561
Amortisation of issue costs	4,019	409
Net interest on defined benefit liability	304	349
	<u>8,780</u>	<u>7,319</u>

The Football Association Limited

Notes to the financial statements (continued) Year ended 31 July 2016

5. Profit/ (loss) on ordinary activities before taxation

(Loss)/profit on ordinary activities before taxation is stated after charging/ (crediting):

	2016 £'000	2015 £'000
Restructuring and reorganisation costs*	2,950	10,442
Depreciation of tangible fixed assets – owned	32,166	32,863
Depreciation of tangible fixed assets – held under finance lease	3,771	3,753
Amortisation of intangible assets	6	5
Amortisation of deferred capital grants	(1,432)	(1,441)
Operating lease rentals	1,412	1,485
Loss on disposal of tangible fixed assets	2,596	156
Fair value loss/(gain) on forward currency contracts measured at fair value through profit and loss (see Note 17)	11,490	(2,308)
Fair value loss on interest rate swap measured at fair value through profit and loss (see Note 17)	4,457	6,561
Foreign exchange gain	(248)	(339)

*Restructuring and reorganisation costs included redundancy costs of £2.25 million and fees and other reorganisation costs of £0.7 million. The related year end provision is disclosed in Note 16.

The analysis of the auditor's remuneration is as follows:

Fees payable to the Group's auditor for audit services

Fees payable to the Group's auditor for the audit of The FA's annual accounts	82	64
Fees payable to the Group's auditor for the audit of The FA's subsidiaries	83	81
Total audit fees	165	145

Fees payable to the Group's auditor for other services to the Group

Audit-related assurance services	8	5
Taxation compliance services	30	30
Other taxation advisory services	18	37
Other services	85	81
Total non-audit fees	141	153

No services were provided pursuant to contingent fee arrangements.

The Football Association Limited

Notes to the financial statements (continued) Year ended 31 July 2016

6. Staff numbers and costs

The average monthly number of Group employees was:

	2016 No.	2015 No.
Promotion of Association Football	701	759
Stadium and event management	79	90
Hotel management	217	201
	<u>997</u>	<u>1,050</u>

Their aggregate remuneration comprised:

Wages and salaries	40,238	40,769
Social security costs	4,630	4,466
Other pension costs	1,698	1,911
Severance costs	2,241	7,141
	<u>48,807</u>	<u>54,287</u>

7. Directors' remuneration

The following payments were made to directors in respect of services provided:

	2016 £'000	2015 £'000
Emoluments	762	704
Benefits in kind	2	6
Company contributions to money purchase schemes	51	59
Compensation for loss of office	-	645
	<u>815</u>	<u>1,414</u>

There were no directors to whom retirement benefits were accruing in respect of qualifying services in respect of defined benefit schemes (2015: none).

There was one director (2015: one) to whom retirement benefits were accruing in respect of qualifying services in respect of the money purchase pension scheme.

Details of highest paid director

Total emoluments (including compensation for loss of office)	540	993
Company contributions to money purchase schemes	51	59
	<u>591</u>	<u>1,052</u>

The Football Association Limited

Notes to the financial statements (continued) Year ended 31 July 2016

8. Tax on profit on ordinary activities

The tax charge comprises:

	2016 £'000	2015 £'000
Current tax on profit on ordinary activities		
UK corporation tax	(2,660)	(1,219)
Adjustments in respect of prior years	179	115
Total current tax	(2,481)	(1,104)
Deferred tax		
Origination and reversal of timing differences	(1,619)	1,475
Effect of the rate change	551	-
Adjustments in respect of prior years	(94)	(212)
Total deferred tax	(1,162)	1,263
Total tax on (loss)/profit on ordinary activities	(3,643)	159

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

Group profit/(loss) on ordinary activities before tax	10,705	(9,308)
Tax on Group (loss)/profit on ordinary activities at the standard UK corporation tax rate of 20% (2015: 20.67%)	(2,141)	1,924
Effects of:		
Expenses not deductible for tax purposes	(2,570)	(1,610)
Current tax credit on interest rate swap loss	6,719	-
Deferred tax charge on interest rate swap loss	(6,719)	-
Non-taxable release of grant income	397	189
Effect of current year changes to the statutory tax rate	554	(247)
Adjustment in respect of prior years	117	(97)
Group total tax credit/(charge) for the period	(3,643)	159

The standard rate of tax applied to reported profit on ordinary activities is 20% (2015: 20.67%).

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Act 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 18% from 1 April 2020.

During the year beginning 1 August 2016, the net reversal of deferred tax assets and liabilities is expected to increase the corporation tax charge for the year by £4.6 million. This is due to the reversal of fixed asset timing differences (increase of £2.8 million), capitalised finance costs (increase of £2.5 million), the closure of the interest rate swap (decrease of £0.7 million).

Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

There is no expiry date on timing differences, unused tax losses or tax credits.

The Football Association Limited

Notes to the financial statements (continued) Year ended 31 July 2016

9. Profit attributable to the Company

The profit for the financial year dealt with in the financial statements of the parent Company was £16.1 million (2015: £8.9 million). As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the parent Company.

10. Intangible fixed assets

	Total £'000
Cost	
At 1 August 2015 and 31 July 2016	250
Amortisation	
At 1 August 2015	11
Charge for the year	6
At 31 July 2016	17
Net book value	
At 31 July 2016	233
At 31 July 2015	239

Intangible assets represent the cost attributed to intellectual property on the acquisition of the Stadium.

11. Tangible fixed assets

Group	Land and buildings £'000	Stadium £'000	Leasehold improvements £'000	Fixtures, fittings, plant and equipment £'000	Total £'000
Cost					
At 1 August 2015	130,450	661,846	4,867	66,578	863,741
Additions	1,028	965	-	4,402	6,395
Disposals	-	(3,244)	-	(4,216)	(7,460)
At 31 July 2016	131,478	659,567	4,867	66,764	862,676
Accumulated depreciation					
At 1 August 2015	4,440	202,356	959	33,886	241,641
Charge for the year	1,556	24,538	325	9,518	35,937
Disposals	-	(718)	-	(4,146)	(4,864)
At 31 July 2016	5,996	226,176	1,284	39,258	272,714
Net book value					
At 31 July 2016	125,482	433,391	3,583	27,506	589,962
At 31 July 2015	126,010	459,490	3,908	32,692	622,100

Land and buildings includes freehold land, which is held at cost of £67.4 million (2015: £67.4 million). It also includes long leasehold property of £3.9 million (2015: £3.9 million). Included within the above assets is £36.5 million (2015: £36.5 million) of assets held under finance leases. These assets are held at cost of £47.6 million (2015: £47.6 million) less accumulated depreciation of £14.9 million (2015: £11.1 million). This predominantly relates to the lease and leaseback arrangement to fund the construction of the hotel at St. George's Park, which has been classified as a finance lease. The minimum lease term is 30 years.

Borrowing costs amounting to £73.6 million (2015: £73.6 million) have been included within the cost of the stadium asset.

The Football Association Limited

Notes to the financial statements (continued) Year ended 31 July 2016

11. Tangible fixed assets (continued)

Company	Stadium £'000	Fixtures, fittings, plant and equipment £'000	Total £'000
Cost			
At 1 August 2015	2,444	11,964	14,408
Additions	-	483	483
Disposals	-	(2,196)	(2,196)
At 31 July 2016	2,444	10,251	12,695
Accumulated depreciation			
At 1 August 2015	328	7,082	7,410
Charge for the year	51	2,365	2,416
Disposals	-	(2,196)	(2,196)
At 31 July 2016	379	7,251	7,630
Net book value At 31 July 2016	2,065	3,000	5,065
At 31 July 2015	2,116	4,882	6,998

12. Fixed asset investments

	Group		Company	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Subsidiary undertakings	-	-	230,001	230,001
Amounts loaned to bank	-	23,517	-	23,517
	-	23,517	230,001	253,518

Subsidiary undertakings

Details of subsidiary companies, all of which are incorporated in the United Kingdom and in each of which 100% of the nominal value of £1 ordinary shares is held, are as follows:

Name	Activity
Wembley National Stadium Limited ("WNSL")	Organising sporting/entertainment events at Wembley Stadium
National Football Centre Limited	Operation of hotel & sports facilities and educational activities
FA Learning Limited	Dormant
The English National Stadium Property Company Limited	Dormant

Amounts loaned to bank

In September 2008 the Company loaned £31.5 million to the principal bank in the Group's banking syndicate. The loan was granted at the same time as the Group's syndicated bank loan of £341.5 million was taken out by Wembley National Stadium Limited (see Notes 14 and 15).

As part of the repayment of the Wembley National Stadium limited bank loan, this amount loaned to bank was repaid during the current season.

The Football Association Limited

Notes to the financial statements (continued) Year ended 31 July 2016

13. Debtors

	Group		Company	
	2016	Restated 2015	2016	Restated 2015
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Trade debtors	23,928	25,257	3,086	11,511
Loans to clubs	63	62	63	62
Amounts owed by Group undertakings	-	-	4,162	1,591
UK corporation tax receivable	-	470	-	470
VAT receivable	-	-	5,046	2,336
Other debtors	1,310	575	1,047	494
Prepayments and accrued income	20,096	20,225	11,750	16,192
Derivative financial instruments	-	23	-	23
	45,397	46,612	25,154	32,679
Amounts falling due after more than one year				
Loans to clubs	224	285	224	285
Amounts owed by Group undertakings	-	-	369,989	110,967
Derivative financial instruments	-	5,753	-	5,753
	224	6,038	370,213	117,005
Total debtors	45,621	52,650	395,367	149,684

14. Creditors: amounts falling due within one year

	Group		Company	
	2016	Restated 2015	2016	Restated 2015
	£'000	£'000	£'000	£'000
Bank loan	-	10,030	-	-
Obligations under finance lease	233	158	-	-
Trade creditors	3,462	4,794	2,211	3,224
Amounts due to subsidiary undertakings	-	-	6,402	1,504
UK corporation tax payable	736	-	736	-
VAT payable	5,001	7,280	-	-
Social security and other taxes	1,572	1,757	1,368	1,513
Other creditors	4,399	6,298	1,674	4,620
Accruals	38,922	22,853	19,517	8,808
Deferred grants	7,969	8,119	6,576	6,727
Deferred income	130,300	161,495	62,485	96,688
Derivative financial instruments	1,772	524	1,772	524
	194,366	223,308	102,741	123,608

Deferred income predominantly comprises contractual broadcasting and sponsorship income received in advance and the upfront Club Wembley licence fees.

The Football Association Limited

Notes to the financial statements (continued) Year ended 31 July 2016

15. Creditors: amounts falling due after more than one year

	Group		Company	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Bank loan	191,547	241,583	191,547	-
Obligations under finance leases	49,565	49,798	-	-
Deferred grants	118,736	120,123	-	-
Deferred income	12,462	34,990	-	11,385
Derivative financial instruments	4,872	58,070	4,872	-
	377,182	504,564	196,419	11,385

Bank loan

On 2 October 2015, the Group settled its existing loan obligations with WNSL's banking syndicate, repaying the £244.5 million outstanding on the term loan to the original lenders. At the same time, the £23.5 million loan from The FA to the principal bank in WNSL's banking syndicate was repaid in full. On the same day, the interest rate swap, which was taken out to hedge the interest rate risk on WNSL's borrowings, was collapsed, with the mark-to-market liability of £58.1million settled in full by the Group.

Also on 2 October, The FA entered into new borrowing arrangements with Barclays, HSBC and Santander. The new £300.0 million loan facility consists of a £200.0 million Revolving Credit Facility ("RCF") and a £100.0 million Term Loan. Both facilities are secured against the value of Wembley Stadium.

The term of the RCF is seven years and interest is payable at a variable rate of LIBOR + 1.15%. The Term Loan is secured for three years, with interest payable at a variable rate of between LIBOR + 1.10% and LIBOR + 1.25%.

£195.0 million of this loan facility gross of capitalised borrowing costs (£3.5 million) was drawn down at 31 July 2016 (£100.0 million term; £95 million RCF).

Borrowing costs of £4.2 million were initially capitalised in relation to these facilities. An amortisation charge in relation to capitalised borrowing fees of £0.7 million has been recognised during the current season.

Obligations under finance leases

At 31 July 2016 the Group had annual commitments under non-cancellable finance leases as set out below:

	2016 £'000	2015 £'000
Finance leases		
Less than one year	3,623	3,325
Between one and two years	3,457	3,390
Between two and five years	10,652	10,488
More than five years	87,027	90,648
	104,759	107,851
Less: Finance charges allocated to future periods	(54,961)	(57,895)
	49,798	49,956

The Football Association Limited

Notes to the financial statements (continued) Year ended 31 July 2016

15. Creditors: amounts falling due after more than one year (continued)

Deferred grants

Deferred grants greater than one year comprise the following amounts:

	2016 £'000	2015 £'000
Sport England	78,829	79,112
Department of Culture, Media and Sport ("DCMS")	18,468	18,920
London Development Agency ("LDA")	16,656	17,076
Other	4,783	5,015
	<u>118,736</u>	<u>120,123</u>

The grants are amortised over the life of the assets they relate to in line with depreciation charged on those assets. The amount amortised to the profit and loss account during the year was £1.9 million (2015: £1.8 million).

Sport England includes grant funding of £78.5 million in relation to Wembley Stadium. £11.2 million of this grant funding related to Stadium assets and will be amortised over the life of the building, the remaining grant funding represents grants in respect of land of £64.5 million, long leasehold property of £2.5 million and £0.3 million for business intellectual property rights.

The DCMS grant relates principally to the S106 payments to improve infrastructure of the surrounding area to Wembley Stadium. The LDA grant relates to infrastructure work, which includes certain elements of costs relating to concrete, steel framework and concourses around the Stadium.

Deferred income

Deferred income predominantly comprises contractual broadcasting and sponsorship income received in advance and the upfront Club Wembley licence fees.

Derivative financial instruments

Derivative financial instruments include the Group's interest rate swap. This is discussed in further detail in Note 17.

The Football Association Limited

Notes to the financial statements (continued) Year ended 31 July 2016

16. Provisions for liabilities

Group	Deferred tax £'000	Restructuring £'000	Other £'000	Total £'000
At 1 August 2015	4,807	7,685	2,117	14,609
Utilised during the period	-	(7,197)	(2,117)	(9,314)
Charged to profit and loss account	913	792	-	1,705
Charged to other comprehensive income	-	-	-	-
At 31 July 2016	5,720	1,280	-	7,000

Company	Deferred tax £'000	Restructuring £'000	Other £'000	Total £'000
At 1 August 2015	1,659	7,685	2,117	11,461
Utilised during the period	-	(7,585)	(2,117)	(9,702)
Charged to profit and loss account	(2,331)	1,174	-	(1,157)
Charged to other comprehensive income	-	-	-	-
At 31 July 2016	(672)	1,274	-	602

Deferred tax

Deferred tax is provided as follows:

	Group		Company	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Capital allowances in excess of depreciation	3,706	6,844	(963)	(871)
Tax losses available	(775)	(753)	-	-
Capitalised finance costs	6,662	7,586	-	-
Timing differences in respect of financial instruments	(5,284)	(10,344)	(1,123)	1,050
Accelerated donations to charity	1,441	1,760	1,441	1,760
Other short term timing differences	(30)	(286)	(27)	(280)
Deferred tax liability	5,720	4,807	(672)	1,659

Deferred tax assets and liabilities are offset only where the Group has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the same group.

Restructuring

In the prior season the Group announced plans to restructure the organisation, to make cost savings to invest in elite England teams, facilities and grassroots coaching. The amount remaining of the restructuring provision is £1.3 million (2015: £7.7 million) at 31 July 2016. It is expected that the remainder of this provision will be utilised in less than 12 months from the balance sheet date.

Other

Reciprocal rights contracts exist for a number of England friendly internationals with other nations' football associations to play one home and one away match. Due to the terms of these contracts, provisions are recognised where The FA has received rights for the first match but is obligated to forego rights for the second match, which is not scheduled to take place until after the year end. No provision was required for reciprocal rights as at 31 July 2016.

The Football Association Limited

Notes to the financial statements (continued) Year ended 31 July 2016

17. Financial instruments

The carrying values of the Group and Company's financial assets and liabilities are summarised by category below:

	Group		Company	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Financial assets				
Measured at fair value through profit or loss				
Forward foreign currency contracts (see Note 13)	-	5,776	-	5,776
Debt instruments measured at amortised cost				
Bank loans receivable (see Note 12)	-	23,517	-	23,517
Measured at undiscounted amount receivable				
Trade and other debtors (see Note 13)	25,238	25,832	4,133	12,005
Amounts due from Group undertakings (see Note 13)	-	-	374,151	112,558
Equity instruments measured at cost less impairment				
Fixed asset investments in unlisted equity instruments (see Note 12)	-	-	230,001	230,001
	<u>25,238</u>	<u>55,125</u>	<u>608,285</u>	<u>383,857</u>

	Group		Company	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Financial liabilities				
Measured at fair value through profit or loss				
Forward foreign currency contracts (see Notes 14 and 15)	6,644	524	6,644	524
Interest rate swap (see Note 15)	-	58,070	-	-
Debt instruments measured at amortised cost				
Bank loans payable (see Notes 14 and 15)	191,547	251,613	191,547	-
Obligations under finance lease (see Notes 14 and 15)	49,798	49,956	-	-
Measured at undiscounted amount payable				
Trade and other creditors (see Note 14)	7,861	11,092	3,885	7,844
Amounts due to Group undertakings (see Note 14)	-	-	6,402	1,504
	<u>255,850</u>	<u>371,255</u>	<u>208,478</u>	<u>9,872</u>

It is the Group's policy to hedge significant foreign exchange and interest rate risk. These risks have been hedged by entering into forward foreign currency contracts.

Forward foreign currency contracts are valued using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

The Group has entered into forward foreign currency contracts to hedge the exchange rate risk arising from the contracted future cash inflows from our international broadcast partners, which are received in US dollars and euros. The hedged contracted cash flows are expected to occur and to affect profit or loss within the next three financial years. The fair value of the forward foreign currency contracts is a net liability of £6.6 million (2015: net asset £5.3 million).

The Group currently do not deem there to be a significant interest rate risk and therefore interest payable on the Group's banking facilities are currently unhedged.

The Football Association Limited

Notes to the financial statements (continued) Year ended 31 July 2016

17. Financial instruments (continued)

The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

	Group	
	2016	2015
	£'000	£'000
Interest (income) and expense		
Total interest income for financial assets at amortised cost	-	(578)
Total interest expense for financial liabilities at amortised cost	8,430	6,679
Total interest expense for financial liabilities at fair value through profit or loss	2,228	13,523
	<u>2,228</u>	<u>13,523</u>
Fair value (gains) and losses		
On forward foreign currency contracts measured at fair value through profit or loss	12,289	(2,308)
On interest rate swap measured at fair value through profit or loss	4,457	6,561
	<u>4,457</u>	<u>6,561</u>

18. Called up share capital and reserves

	2016	2015
	£	£
Allotted, called up and fully paid		
1,614 ordinary shares of 5p each	81	81
2 special rights preference shares of £1	2	2
	<u>83</u>	<u>83</u>

The shares do not entitle the owner to any dividend or bonus in the Company. The special rights preference shares are held by The FA Premier League Limited and The Football League Limited.

The Group and Company's profit and loss account represents cumulative profits or losses and other comprehensive income.

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Notes to the financial statements (continued) Year ended 31 July 2016

19. Notes to the consolidated cash flow statement

Reconciliation of operating profit to cash generated by operations:

	2016 £'000	2015 £'000
Operating profit	28,940	19,751
Adjustment for:		
Depreciation	35,937	36,616
Amortisation of deferred capital grants	(1,432)	(1,441)
Amortisation of deferred income grants	(575)	(875)
Loss on disposal of tangible fixed assets	2,596	156
Operating cash flow before movement in working capital	65,466	54,207
Decrease in stock	36	227
(Increase) / decrease in debtors	4,410	14,013
(Decrease) / increase in creditors	(42,804)	912
(Decrease) / increase in provisions	(8,530)	9,500
Corporation tax paid	(1,278)	(3,997)
Contributions paid by the Company into the defined benefit pension scheme	(1,136)	(2,574)
Cash generated by operations	16,164	72,288

20. Financial commitments

Total future minimum lease payments under operating leases are as follows:

	Group		Company	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Operating leases which expire:				
- within one year	577	617	61	61
- between two and five years	946	1,464	29	90
- after five years	-	-	-	-
	1,523	2,081	90	151

Company commitments and contingent commitments to WNSL

In the prior season WNSL had an annual support agreement with The FA extending to 31 March 2027. Support payments under this agreement are received annually and it is expected that up to £14 million per annum will be received under this agreement. In the current season this agreement ceased as part of the refinancing of The FA Group debt.

The Football Association Limited

Notes to the financial statements (continued) Year ended 31 July 2016

21. Employee benefits

Defined contribution scheme

The Group operates a defined contribution retirement benefit scheme for all qualifying employees. The total expense charged to profit or loss in the period ended 31 July 2016 was £0.5 million (2015 £0.8 million).

Defined benefit scheme

The Group operates a defined benefit pension scheme for its employees. Under the scheme, the employees are entitled to retirement benefits based on their final salary on attainment of a retirement age of at least 55. No other post-retirement benefits are provided. The scheme is a funded scheme.

From 1 January 2003 new employees have not been able to enter the scheme. The scheme was closed to future accrual at 30 April 2010 and all active members became deferred members at this date.

The most recent actuarial valuations of scheme assets and the present value of the defined benefit obligation were carried out at 31 July 2016 by a qualified independent actuary. The present value of the defined benefit obligation, the related current service cost and the past service cost were measured using the projected unit credit method.

	31 July 2016 % p a	31 July 2015 % p a
Key assumptions used:		
Discount rate	2.25	3.60
Expected long-term rate of return on Scheme assets	2.25	3.60
RPI assumption	2.8	3.40
CPI assumption	1.8	2.40
Future pension increases	2.75	3.30

The underlying mortality assumption in 2016 is based upon the standard table known as S2LPA on a year of birth usage, with CMI_2014 improvement factors and a long-term future improvement rate of 1.25 % p.a. (2015: 1.25%).

Amounts recognised in the profit and loss account in respect of the defined benefit scheme are as follows:

	2016 £'000	2015 £'000
Administrative expenses	244	242
Interest on scheme liabilities	2,763	2,898
Interest on scheme assets	(2,703)	(2,791)
	<u>304</u>	<u>349</u>

Amounts recognised in other comprehensive income in respect of the defined benefit scheme are as follows:

Actual return less expected return on scheme assets	7,469	6,038
Expected less actual scheme expenses	62	56
Experience gains/(losses) arising on scheme liabilities	1,919	307
Changes in assumptions underlying the present value of scheme liabilities	(12,328)	(6,957)
	<u>(2,878)</u>	<u>(556)</u>
Actuarial loss	576	115
Related deferred tax	<u>(2,302)</u>	<u>(441)</u>

The Football Association Limited

Notes to the financial statements (continued) Year ended 31 July 2016

21. Employee benefits (continued)

The amount included in the balance sheet arising from the Group's obligations in respect of its defined benefit scheme is as follows:

	2016 £'000	2015 £'000
Present value of defined benefit obligations	(88,899)	(77,763)
Fair value of scheme assets	84,806	75,718
Deficit in the scheme	(4,093)	(2,045)
Related deferred tax asset	737	409
Net pension liability	(3,356)	(1,636)

Movements in the present value of defined benefit obligations were as follows:

At 1 August 2015	7,469	6,038
Interest cost	62	56
Actuarial losses	1,919	307
Benefits paid	(12,328)	(6,957)
At 31 July 2016	(2,878)	(556)

Movements in the fair value of scheme assets were as follows:

At 1 August 2015	75,718	66,059
Interest income	2,703	2,791
Actuarial gains	7,469	6,038
Benefits paid	(2,036)	(1,558)
Contributions paid by the Group	1,134	2,574
Administrative expenses	(182)	(186)
At 31 July 2016	84,806	75,718

The analysis of the scheme assets at 31 July 2016 was as follows:

	2016 %	2015 %
Equities and Property	56	54
Bonds	43	41
Cash	1	5
Total	100	100

The Football Association Limited

Notes to the financial statements (continued) Year ended 31 July 2016

21. Employee benefits (continued)

Movement in the deficit were as follows:

	2016 £'000	2015 £'000
Deficit in Scheme at beginning of year	(1,636)	(3,714)
Net expenses recognised in profit and loss account	(304)	(349)
Contributions paid by the Company	1,134	2,574
Actuarial loss	(2,878)	(556)
Deferred tax	328	409
Deficit in Scheme at end of year	<u>(3,356)</u>	<u>(1,636)</u>

22. Subsequent events

No subsequent events have occurred between season end and the date of directors signing the financial report.

23. Related party transactions

By the Company's nature, and in accordance with its rules, The FA enters into a number of transactions in the normal course of business with County and other Affiliated Associations, The Premier League Limited, The Football League Limited, The Football Foundation, The Football Stadia Improvement Fund and other competitions and football clubs, of which certain members of the Board are directors.

The FA has a one third interest in Professional Game Match Officials Limited ("PGMOL"), a company limited by guarantee. The results of this associated Company have not been included in this report as they are immaterial. The FA has a cost of £2.1 million (2015: £2.0 million) charged to its operating expenses in the period, being a contribution towards the operating costs of PGMOL that are necessary for providing match officials to the Professional Game.

The total remuneration (including severance pay) for key management personnel for the period was £4.8 million (2015: £4.9 million).

The FA has invested £10 million during the current season indirectly through the Football Foundation into the Parklife scheme. Charitable Trusts have been established in Sheffield and Liverpool to oversee the operations of the Parklife hubs in those cities. The FA has the power to appoint up to two Trustees to the board of trustees of these Trusts. As each Trust currently has six trustees, The FA has significant influence resulting in the Trusts meeting the definition of an associate. As the FA does not hold any shares in these Trusts or is a financial guarantor and is not entitled to receive any profits generated or is liable to fund any losses, the accounting value of these associates to The FA is £NIL. These Trusts have therefore not been included within the consolidated accounts of The FA.

There have been no transactions between The FA or the Trusts during the current season.