

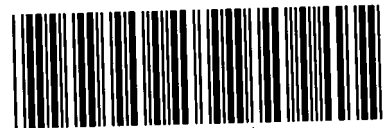
Company Registration No. 00077797

Football Association Limited

Report and Financial Statements

Year ended 31 July 2020

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Football Association Limited

Report and financial statements 31 July 2020

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Officers and professional advisers

Directors

R Bains

M Bullingham (appointed 1 August 2019)

S Cartwright (resigned 28 November 2020)

G Clarke (resigned 10 November 2020)

R Cotter

S Hough

P McCormick OBE

J Nixon (appointed 18 July 2019 – resigned 18 October 2019)

J Pearce

K Tinsley

R Parry (appointed 18 October 2019)

Secretary

R McDermott

Registered office

Wembley Stadium

Wembley

London

HA9 0WS

Independent auditor

Deloitte LLP

Statutory Auditor

1 New Street Square

London

EC4A 3HQ

Football Association Limited

Strategic report

Chief Executive Officer's review of the year

Reflecting on my first full year as Chief Executive Officer of The Football Association, I think it's fair to say that very few people could have predicted the situation in which we find ourselves today. Before COVID-19 we were on a trajectory for another successful season and had high hopes as we looked towards a summer of sport to remember with both EURO 2020 and the Olympics on the horizon. Then, in March the pandemic struck, impacting terribly across the country and our thoughts turned to everyone who has been affected during this time.

More recently, Greg Clarke stepped down from the role as FA Chairman, acknowledging that some of his words in a Select Committee hearing were unacceptable and offensive. We respected his decision at the time and were clear that his words simply did not reflect the views of The FA. We have also been clear that we are committed to playing a lead role in actively enhancing equality and diversity across English football, whilst steadfastly challenging and tackling all forms of discrimination. As with many organisations in this country, we are on a journey and have made substantial progress in these areas.

Since COVID-19 it has been a very challenging year for The Football Association, English football and wider society. Football, like many other sectors, has been hit hard by effectively closing its business for a long period of time. From grassroots level, through to the semi-professional pyramid and up to the professional game, clubs closed, games were cancelled, cash flow stalled, and terraces remained empty.

COVID-19 has delivered a significant body blow to the organisation and the game as a whole. We disclosed at the time that we planned prudently for £300 million of losses over our four-year strategic plan period to 2024. As a not for profit organisation we had to act quickly to safeguard our future and unfortunately this led to severe cuts and the very tough decision to reduce the size of our team. Proposing redundancies is the toughest cost-saving measure that any organisation can consider implementing, but we had to act to adapt and future-proof the organisation to ensure our cost base reflects a future with significantly lower revenues.

Despite this, I'm incredibly proud of how our team has pulled together to ensure that we emerge in the strongest possible state and ready for better times in the future. Our resilience has been tested, but in what has been an unprecedented year of challenges, we have made impressive progress as we approach the end of our four-year strategic plan and look forward to the future.

In making the required budget cuts, we focused intensely on delivering our key priorities. We have a responsibility to preserve our core functions that regulate and serve English football, while continuing to support our men's and women's senior teams in their efforts to win major tournaments. We also protected the Women's Super League and our IT transformation from significant cuts, as these are key strategic priorities.

Commercially, the financial challenge we face is a significant one. We have lost all of the revenue from events at Wembley Stadium since March 2020 and all other future bookings, such as the music concerts in August and the NFL games in October. Our hospitality revenue from Wembley Stadium, which usually delivers around £35 million per year, has been heavily impacted, and will probably take years to recover.

We worked collaboratively with the Premier League ("PL") and English Football League ("EFL") on Project Restart, ensuring the return of football behind closed doors, and also ensuring the continuation of the FA Cup for both the 2019/20 and 2020/21 seasons. Ensuring our competitions continue is critical to preserve our commercial income.

Many of our sponsors and broadcasters have been hugely impacted by the pandemic. Despite this they have been very supportive as we sought to find solutions to replace lost events, such as creating new content. Our team has done a fantastic job and during the first stages of lockdown we actually engaged more fans on our social channels than at the same time in the previous year, despite the absence of football. In addition, we have secured new commercial partners, such as Deliveroo and Nationwide, which will help us to continue to invest into the game amidst very challenging circumstances.

Improving the tournament record of our senior England teams continues to be a key priority for us and we continued to make good progress. The Men's team successfully qualified for EURO 2020, where we were on track to successfully host seven fixtures at Wembley Stadium before COVID-19 hit. The 2019/20 season also saw the introduction of the new annual mid-season player break, which we were delighted to agree with the PL and EFL. We believe this initiative will have a positive impact by allowing players to have a break at a key time in our football calendar, benefiting their performances for both club and country towards the end of the season.

We've made excellent progress across the women's and girls' game, evident through the final review of the Gameplan for Growth for women's and girls' football, led by Baroness Sue Campbell. We've exceeded all targets including doubling participation and fans, and I'm in no doubt that we've now established a firm foundation on which the game can continue to go from strength to strength. Growth in women's football has been a strategic goal for the organisation for many years now, and it will continue to be a key priority going forward.

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We've seen great innovation at St George's Park, with the launch of the Player Performance System and the Women's 'Blueprint for Success', putting us at the forefront of technical advancements and innovation across the international game.

We know the quality and quantity of playing surfaces across the country remains the single biggest barrier to enjoyment and participation in football and this has been particularly challenging during lockdown. That's why we acted to maximise support for the grassroots game, working with our partners through the Football Foundation to deliver £10 million of funding to help clubs to carry out vital work and prepare pitches for the safe return of football.

We also worked hard with stakeholders to secure £10 million of funding from The National Lottery to stabilise clubs in The National League, steps 1 and 2 of the pyramid and enable them to continue to play games behind closed doors in the 2020/21 season.

We have also taken time to pause and reflect on the importance of mental health and the important role that football can play in this conversation. We were delighted to dedicate the 2020 FA Cup Final to Heads Up after our lead partner Emirates donated title sponsorship rights to the mental health campaign. The event was a culmination of a season-long campaign aimed at creating the biggest conversation ever on mental health, which we believe it achieved. I'm immensely proud of our work around Heads Up and believe this is a cause that is more important than ever given the global pandemic.

Keeping young people who play football safe remains a priority and we have once again increased funding and resources into our safeguarding operating standards for County FAs. This is something we strive to improve each year in collaboration with our partners, leagues and clubs, and we importantly continue to rise to the challenge.

One of our core responsibilities is to continue to evolve regulation of the game to a high standard. In introducing Sin Bins at grassroots level, our aim is to ensure that referees get the respect they deserve. We've successfully trialled a new disciplinary system to counter discrimination ensuring that offences are dealt with quickly and properly, making it absolutely clear that there is no place for discrimination in the game, at any level. Fighting discrimination will be at the heart of our strategy for the next four years and beyond. Our game is for everyone, irrespective of age, gender, sexual orientation, disability, ethnicity, faith and any background. We know football has an unparalleled ability to act as a force for good, to help break down barriers and stand firmly against discrimination. That's why we launched the *Football Leadership Diversity Code* in response to the Black Lives Matter movement and continue to progress with our Equality, Diversity and Inclusion plan, In Pursuit of Progress as a matter of priority.

In October 2019, the findings of the FIELD study, an independent report into the incidence of degenerative neurocognitive disease in ex-professional footballers, was published. The study was jointly commissioned by The FA and PFA and was undertaken by Dr William Stewart and colleagues at the University of Glasgow and the Hampden Sports Clinic. It's a ground-breaking piece of research and another important step in helping football to build a greater understanding of any potential risks in our game. Although the FIELD study was not able to determine what exactly caused the increased rates of dementia, we acted quickly to mitigate against potential risks by releasing new heading guidance for Under 18s, and ensuring we take the appropriate steps to support the game. Importantly, our work and investment in this crucial area will continue.

We are also investing strongly in digital transformation to allow the game to be run more efficiently and effectively. Our aim is to make it as easy as possible for volunteers and players to run their football lives. This year has seen a new digital delivery model for FA Education with the launch of FA Learning and FA Playmaker, making it easy for anyone interested in taking a more active role in grassroots football to get involved with the game. We've also released the first modules of our new Platform for Football, Referee Registration and Account Management, to allow us to reduce the pressure on the previous Whole Game System. We also launched FA Matchday to make the process of managing grassroots clubs easier, with player availability, fixtures, payments and match reports contained within the app. We have strong systems in place, including our player status system and have registered one million players online, a significant milestone. Meanwhile our streaming platform for the Women's Super League ("WSL"), The FA Player, exceeded our 25,000 target by achieving 86,000 sign ups.

Our home, Wembley Stadium connected by EE, remains one of the world's most iconic stadiums, and whilst we have experienced a quiet summer due to the impact of COVID-19, the stadium has an exciting year ahead. We look forward to playing a major part in UEFA EURO 2020, hosting seven matches, including the prestigious semi-finals and final, putting our home of English football at the heart of the tournament. We were also delighted earlier in the year to be awarded the hosting rights for the 2024 UEFA Champions League Final.

In summary, we are proud of our achievements over the last twelve months, particularly as we have also had to overcome one of the most unpredictable and challenging periods for the organisation. The entire team has been resolute, innovative and resourceful throughout and I am proud of what we have achieved together. It is crucially important, now more than ever, that we do not lose focus on the future and that we continue to build on the strong platform we have put in place and to grow the game for all.

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Strategic report

Chief Executive Officer's review of the year

Strategic objectives

The FA has outlined seven strategic objectives:

1. England Ready to win in 2022 and 2023

We set ourselves challenging but achievable goals and continued to make strong progress in both the men's and women's game before the international calendar was halted due to COVID-19.

Following their second semi-final in two years at Russia 2018 and the 2019 UEFA Nations League, our Men's Senior team confirmed their successful qualification for EURO 2020, and we are looking forward to hosting crucial fixtures at Wembley Stadium during the rescheduled tournament in summer 2021. Despite success in the Senior team, we did not sustain the winning performances that our development squads achieved in 2017.

Following their second successive World Cup semi-final in 2019, results for our Women's Senior team on the pitch weren't as consistent as expected, though the team continued to break records at every turn, including a record 77,000 attendance at Wembley Stadium for their international fixture against Germany in November 2019. All eyes are now on Team GB at the rescheduled Tokyo Olympics, and 2021 UEFA European Championships, which we will be hosting in England in 2022.

The Men's and Women's teams have risen to fourth and third respectively in the FIFA World Rankings, which is testament to the hard work of everybody involved across our Technical Division and our continued investment into our world-class facility at St George's Park.

2. World leading education for a diverse football workforce

Last season we launched *The Boot Room*, an online platform for coaches and prospective coaches to share news and best practice relating to courses and qualifications and receive guides and tutorials. The platform had great success in its first year, exceeding one million unique visits during the 2019-20 season.

A new-look FA Education team led the development of our new strategy and digital delivery model, Fit for the Future, launching FA Learning and FA Playmaker. Our online learning tools are proving to be valuable, engaging and effective. We are currently working on transitioning the Level 1 and Level 2 qualification to online delivery.

The National Game continued to benefit from our improved Learning Management System and within the professional game, we supported the PL and EFL with its Integrated Coaching Strategy, with a continued focus on diversity and inclusion, particularly on coaching placements.

This year over 30,000 unique coaches were supported by FA Education across a range of qualifications and ongoing learning opportunities.

3. Doubling of the playing base and fan following of women's football

We concluded our three-year strategy for the women's and girls' game, *Gameplan for Growth*, hitting all targets, doubling participation and the number of fans watching the game, while the Lionesses continued to bring consistent success on the world stage.

Using the launch date in 2017 as a marker, the number of women's and girls' teams doubled to over 12,600, while there are now over 34,500 qualified female coaches across the English game at all levels. The average fan base of Barclays FA Women's Super League matches grew from 1,000 to 3,000, while there are now 3.4 million women and girls playing the game, up from 2.9 million.

The infrastructure across the game has significantly improved, with over 100 FA Girls' Football School partnerships, supported by Barclays, reaching over 6,000 schools, and numerous initiatives led by our 1,600 Wildcats Centres. The game has also continued to grow commercially over the past 12 months, following the Barclays sponsorship of the Women's Super League, which came in 2018 and was the biggest sponsorship agreement in the history of women's sport in the UK.

Meanwhile, The FA Player, our streaming platform for the Barclays FA Women's Super League, exceeded its target by achieving over 86,000 sign ups in its first season.

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Strategic report

Chief Executive Officer's review of the year

4. Playing opportunities for everyone

We've seen positive growth in most categories, with the total number of affiliated teams increasing by 7.9% overall. We focused on strategic intervention-based activity, such as the development of our Wildcats Centres.

This season we completed a strategic audit of all our facilities, on top of the delivery of our Parklife and Mini Pitch sites.

We once again saw over one million players register online through the Whole Game System, showing continued progress on the path towards direct player registration.

Unfortunately, The FA People's Cup and FA Disability Cup were cancelled due to COVID-19. The FA Disability Cup will return when it is safe and appropriate to do so but the FA People's Cup will be replaced with activity aligned to the delayed Euro 2020.

With this in mind, we recognise that all of football needs to work together to support the return of the game at all levels. Over 40,000 teams across grassroots, the National League System and women's football pyramid have been awarded funding to help them return from the COVID-19 pandemic via the Premier League, The FA and Government's Football Foundation. Following £7 million of investment through the Pitch Preparation Fund, which supported clubs get their playing surfaces match-fit, the Foundation also awarded 3,383 grants worth over £1.6 million to organisations across the country through the Club Preparation Fund.

5. Direct engagement with every fan, player and enabler

This season we commenced work on the replacement of the outdated Whole Game System with a new modular system, 'Platform For Football', rolling out our first two modules, Referee Registration and Account Management. The new system will make the football administration process simpler and quicker for volunteers across the grassroots game.

Our Matchday app has continued to make organising and reporting on games easier for managers and officials at grassroots level, while players can now also pay match fees through the app.

We continue to adapt and simplify our processes and FA SuperKicks in partnership with McDonald's, continues to encourage young children and their parents to take up football by providing free digital tutorials.

On women's football, The FA Player broadcast Women's Super League games throughout the entire 2019/20 season, in addition to selected FA Women's Championship games and extended highlights from domestic cup competitions and the England women's team. The FA Player far exceeded our 25,000 targets by achieving 86,000 sign ups.

6. Trusted regulation and efficient administration

Our governance reforms have made us compliant with a world-leading standard. This year's Pro Club survey realised an upward trajectory, with 86% of respondents 'completely satisfied' with our Player Status and 83% with Judicial Services.

We are also leading the way when it comes to safeguarding and continue to drive our Safeguarding Operating Standard across all County FAs, holding them accountable to an uncompromising level of measures and requirements. We continue with our action plan to address areas identified for improvement within the County FAs and as things stand, our safeguarding capability and operating standards have ensured we are best in class for current day participants.

The 2019/20 season saw English football's first winter break, a move which will benefit both club and country in the future. This season also saw us deliver the new Player Status System with the PL and EFL. Meanwhile, we have seen an impressive 18% increase in the number of female referees since the launch of our new referee strategy.

We remain a trusted regulator of the game and continue to regularly review our disciplinary process. We run the largest anti-doping programme in the UK in collaboration with UK Anti-Doping and carry out extensive education on integrity and other regulatory issues within our club visit programme. Meanwhile, Data Protection compliance (specifically the changes brought about by the General Data Protection Regulation (GDPR) and The Data Protection Act 2018) remains a priority, proactively engaging our workforce with all employees being required to undertake a GDPR online training module.

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7. Wembley Stadium and St George's Park as inspirational venues

Wembley Stadium connected by EE remains one of the world's iconic stadiums and we've continued to invest heavily in our venue's infrastructure.

St George's Park continues to play a crucial role in helping develop England teams at all levels to deliver ahead of target and the venue was awarded 'Best Business Serving Football' at the Football Business Awards. The work at St George's Park gives us confidence that our England teams will deliver success.

Despite COVID-19 having a lasting impact on the industry, resulting in cancelled and behind closed-door events, we're excited to be hosting seven matches at next year's UEFA EURO 2020, including both semi-finals and the final, and the Women's EURO 2021 taking place in 2022. Wembley was also awarded hosting rights for the 2024 UEFA Champions League Final, topping off a successful season across our venues.

Conclusion

The 2019/20 season has been a challenging year for The Football Association as we have navigated the unprecedented challenges presented to us through COVID-19. Despite this, we can be proud of our achievements over the last 12 months and as we look back on our four-year strategic plan. Our focus now turns to the future. We have a new and exciting four-year strategy for The FA and a great team to deliver it. This clear direction will allow us to build on the strong platforms we have established and ensure that we have modern, effective and inclusive game that is truly for all.

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Results in the 2019/20 season

England Men's Senior Team

England 4 Bulgaria 0 – UEFA Euro 2020 Qualifier
England 5 Kosovo 3 - UEFA Euro 2020 Qualifier
Czech Republic 2 England 1 - UEFA Euro 2020 Qualifier
Bulgaria 0 England 6 - UEFA Euro 2020 Qualifier
England 7 Montenegro 0 - UEFA Euro 2020 Qualifier
Kosovo 0 England 4 - UEFA Euro 2020 Qualifier

England Women's Senior Team

Belgium 3 England 3 – International Friendly
Norway 2 England 1 – International Friendly
England 1 Brazil 2 – International Friendly
Portugal 0 England 1 – International Friendly
England 1 Germany 2 – International Friendly
Czech Republic 2 England 3 – International Friendly
United States 2 England 0 – SheBelieves Cup
Japan 0 England 1 – SheBelieves Cup
England 0 Spain 1 – SheBelieves Cup

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Principal risks and uncertainties

Outlined below are the key risks, which if realised, could have a significant impact on our ability to achieve our new 2020 – 2024 strategic objectives and planned initiatives in the 2020/21 Business Plan. The FA's Senior Management Team review and discuss key risks on a monthly basis, and both the Senior Management Team and the Board review high-priority, strategic risks and issues on a quarterly basis in line with the agreed FA risk appetite. These risks and uncertainties and the related controls and plans are monitored by the Group Audit Committee on a regular basis.

Key strategic risks

COVID-19

COVID-19 has already had a significant impact on The FA and the wider game with the full extent yet to be completely understood or realised. The ever-evolving nature of the pandemic continues to present a series of risks, most notably:

- Events behind closed doors severely impact revenues for The FA and clubs at all levels across the men's and women's game who may struggle to survive without crowd revenue for prolonged periods;
- Further disruption to England international fixtures and/or FA Competitions could result in substantial broadcast and commercial partnership revenue losses;
- New safety protocols required to align with Government guidance resulting in escalating costs associated with running international camps, the women's professional game and events at Wembley Stadium; and
- Reduction in the grassroots facilities investment budget could impede our ability to deliver local football facility plans, which are key to maintaining and driving participation across the country.

In order to mitigate the risk of COVID-19, we have planned for a conservative but by no means worst case loss of £300 million over the period from 2020 to 2024. We have taken decisive steps to reduce our cost base over the period of our latest four-year plan by £75 million per annum to mitigate the financial losses arising from COVID-19. We have done this in a strategic way to minimise the impact on our priority areas. We have refinanced the organisation to ensure we are on a stable footing and have provided support across the game to help County FAs during the lockdown period and work towards the return of grassroots football.

Beyond this, we will work with Government to help inform proposed decisions that impact our sector and will work with stakeholders across the game to support clubs, leagues and counties.

Discriminatory and anti-social behaviour

Removing discrimination from the game is a key tenet of our strategy. Failing to play our part in tackling this behaviour and responding effectively to these external events presents a risk to our reputation, a risk to our employees and their wellbeing and also poses a risk to participation due to the lack of a safe playing environment for all, irrespective of any protected characteristics or social backgrounds. We recognise the role we can play in driving change and actions we are taking include:

- Anti-discrimination officers have been introduced into the grassroots game;
- New charging policies and sanctioning guidelines for discrimination by individual participants and spectators have been published for the 2020/21 season;
- New processes to help tackle discrimination at Wembley Stadium on match days have been introduced;
- Wide-ranging support for underrepresented communities through external partnerships and campaigns (e.g. partnership with Stonewall; the Rainbow Laces Campaign, and the Black Collective of Media in Sport);
- Measures have been agreed with Twitter to help tackle online abuse;
- Creation of The Football Leadership Diversity code to increase diversity across administrative leadership, coaching and team operations in all areas of the game;
- Providing coaching bursaries across the grassroots and professional game to increase diverse representation;
- Pledging our support towards the United Nations Global Refugee Compact and evidencing this through our Refugee football plan;
- Developing a Black Lives Action plan and continuing to advance our Asian inclusion plan; and
- Developing and facilitating continued improvement internally and externally across the Equality, Diversity and Inclusion landscape touching on every division across The FA.

We remain dedicated to tackling this behaviour and, as regulators of the game, we will continue to educate our players and coaches, and work with our domestic and international partners to ensure incidents are effectively addressed to

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Strategic report

Principal risks and uncertainties

deliver a game free from discrimination. We believe that the game needs to better reflect and inspire the nation and we recognise that now is our time for change.

Terrorist threat at Wembley Stadium

The high-profile and public status of Wembley Stadium requires the risk of a terrorist-related incident to be continually monitored and managed. If The FA does not prepare adequately to prevent or respond to a terrorist attack on a major event, it could result in financial loss, reputational damage and most importantly loss of life. As a result, we:

- Remain in regular contact with Counter Terrorism agencies with risk profiles/categories determined on an event-by-event basis using intelligence gathered;
- Continuously evolve and update our safety and security plans, for example we will be one of the first UK stadia to move to a mag arch screening of all guests when crowds are allowed to return to stadiums; and
- Maintain and update annually, a detailed set of business continuity plans.

Safeguarding

Keeping young people who play football safe is a key priority for The FA and football as a whole. Failing to maintain and continuously adapt our established safeguarding processes and standards risks the safety and wellbeing of children and vulnerable people within our game, as well as our reputation. As a result, we have the following measures in place:

- Safeguarding strategy – aiming to prevent issues arising at source through policy, national Designated Safeguarding Officer network, Criminal Record Check and Codes of Conduct, as well as constant education and guidance;
- Reporting – if issues do arise, we ensure everyone knows how to report concerns and make reporting as easy as possible;
- Investigation and resolution – we commit to safeguarding concerns being investigated swiftly and where necessary issue suspensions to individuals who we believe do or could potentially pose a risk of harm to children and we ensure there are measurable outcomes across our work; and
- Safeguarding Operating Standards – we ensure County FAs remain focused on meeting this industry standard (now in its third iteration).

Following disclosures made by survivors of non-recent child sexual abuse in late 2016, The FA commissioned an independent review into non-recent child sexual abuse to be undertaken by Clive Sheldon QC. The report will cover the period from roughly 1970 through to 2005. The report will be published by The FA.

Commercial landscape

Broadcast, sponsorship and licensing revenue is a fundamental enabler to achieving our strategic objectives, accounting for 63% of The FA's turnover; any risk to this revenue stream will impact the investments we can make and our ability to create playing opportunities for all.

In the immediacy we face the impact of COVID-19, with many of our partners facing their own financial difficulties, our ability to secure new partnerships or renew existing partnerships will also become more challenging.

Looking ahead, the broadcast market is changing, and the traditional linear broadcasters are increasingly coming under threat from the emerging over the top offerings. This will put increasing pressure on traditional broadcast fees which presents a risk to our future broadcast rights renewal opportunities.

We must therefore continue to evolve how we work with our partners, both commercial and broadcast, innovating to meet expectations in the current COVID-19 landscape, protecting revenue streams and relationships for future cycles.

Link between neurocognitive disease and football

The FA and PFA jointly commissioned a piece of research, The FIELD Study, which identified at the end of 2019 a concerning link between former professional football players and neurocognitive disease. Although the link was established with the group that was studied, we are still unclear as to 'why' it exists. The risks relating to this could be far reaching if it is established there has been any failing on the part of football or that the way the game is currently played increases the risk in particular areas. Implications could include rule changes to better protect players going forward, participation levels if there is proven to be a genuine risk of playing football, financial compensation and reputational risk for The FA. The FA is committed to doing the right thing. We are committed to exploring the 'why' and

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Principal risks and uncertainties

have incorporated this into our 2020-2024 Strategy to ensure we maintain focus. The following are some highlights of what we have done since the initial FIELD findings:

- We have made proactive changes to our coaching guidance for youth players, removing heading from primary school age groups and restricting unnecessary headers in training up to U18, adjusting ball sizes and inflation guidance;
- Using our position of influence on IFAB we have championed the introduction of concussion substitutes, which subject to IFAB approval will be trialled in FA Competitions in 2021;
- We have continued to fund research which includes work with Nottingham University (FOCUS Study) and Loughborough University (Head Impacts in Football) and extended the important Glasgow University FIELD study through to 2022;
- Our independent Research Advisory Group recommended we postpone our call to research (originally March 2020) due to a lack of capacity in research bodies as they pivoted to COVID-19 related work. We have now confirmed this call for research will be issued in early 2021; and
- We continue to work both domestically (e.g. PFA/PL/EFL, Alzheimer's Society) and internationally (e.g. FIFA/UEFA) with our partners to raise awareness of the issue and if possible, to secure even further funding for our call to research in the New Year.

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Corporate social responsibility

In May 2019, The FA launched its Heads Up campaign, a new partnership with the Royal Foundation and Heads Together. The campaign aimed to generate the biggest ever conversation around mental health and harnessed the influence and popularity of football to help show the world that mental fitness is just as important as physical fitness. The campaign built on the decades of work to tackle the stigma and drive the conversation around mental health.

While the campaign was aimed at everyone including players, supporters, friends and families, it's widely recognised that football is a uniquely powerful way to reach men. Men are three times more likely to commit suicide than women, with suicide the most likely cause of death for men under the age of 45. The campaign encouraged more men to feel comfortable talking about their mental health and feel able to support their friends and families through difficult times.

Over the course of the season, the campaign featured in the Community Shield, Emirates FA Cup, WSL and England matches and also received support from the PL and EFL. In total over 115 matches were dedicated in the professional game to Heads Up. This, alongside supporting activation such as Take A Minute, a partnership with Every Mind Matters for the Third Round of The FA Cup and collaboration with the broadcasters, meant the partnership secured over 4,000 pieces of coverage with a cumulative reach of over 22 billion.

Alongside its wider charitable work, The FA has a focus on engaging communities around Wembley Stadium. Last season the Stadium distributed approximately 2,000 complimentary football and music concert tickets to local stakeholders including local businesses, charities, disadvantaged community groups, residents and schools.

Helping to build a cohesive community plays an integral role in The FA's strategy and across the 2019/20 season, staff contributed over 1,200 hours volunteering in local community projects including rejuvenating local parks, painting community centres and hosting tea parties for local elderly groups. The FA also hosted a community football event where over 500 local people including charities, businesses, community organisations and the Met Police, had the opportunity to take part in a mini football tournament on the Wembley Stadium pitch.

Encouraging young people to live healthy and active lifestyles is an important part of the FA's CSR strategy. In 2019, The FA launched the Go Sketch Brent School Football programme which uses a combination of football coaching and basic graphic design workshops to engage primary and secondary school students from disadvantaged backgrounds. In the 2019/20 season, 71 students took part in the programme taking the total number of young people who have successfully completed the programme to 311.

Brent is widely considered to be the most diverse borough in London with a large percentage of families experiencing severe economic challenges. These families are impacted more during the school holidays. In December 2019, The FA donated £40,000 worth of goods to the Brent and Metropolitan Police Christmas Tree Toy appeal which meant every child in Brent from disadvantaged backgrounds had a new toy to open on Christmas Day. In addition to that, The FA also donated over 4,000 new books, worth £28,000, to local primary schools' students across Brent.

Wembley Stadium also hosts the Wembley Stadium Learning Zone, which provides a community space within the stadium, predominantly delivering educational workshops to young people as well as other community initiatives. Last year, school teachers across the land nominated the Learning Zone as a 'Best School Trip' destination to the National School Travel Awards, under the category of sporting venue; and we won top spot, receiving more votes than every other stadium and sporting venue in the country.

During the COVID-19 lockdown, the Stadium Learning Zone also coordinated the Department for Education laptop dissemination scheme for Brent, delivering over 750 new laptops to the most vulnerable young people in the local community, enabling these students to continue their education from home.

During the last academic year, the Learning Zone piloted a new well-being programme aimed at secondary school students.

Over 5,000 young visitors came to the Learning Zone in 2019/20 season and it hosted a range of other special events such as:

- BOAT (Brent Outreach Autism Team) Transition Day – An event geared to supporting students for primary to secondary transfer;
- Horizons – A workshop delivered to approximately 100 SEN secondary students regarding options, choices and life after high school;
- Brent Parent and Carer Forum meetings for the young carers in our community;
- A range of provision for Looked After Children; and
- Facilitated visits for students attending Ade Adepitan Short Break Centre for students with profound and multiple learning difficulties, complex health needs, physical disabilities and autistic spectrum disorders.

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Strategic report

Corporate social responsibility

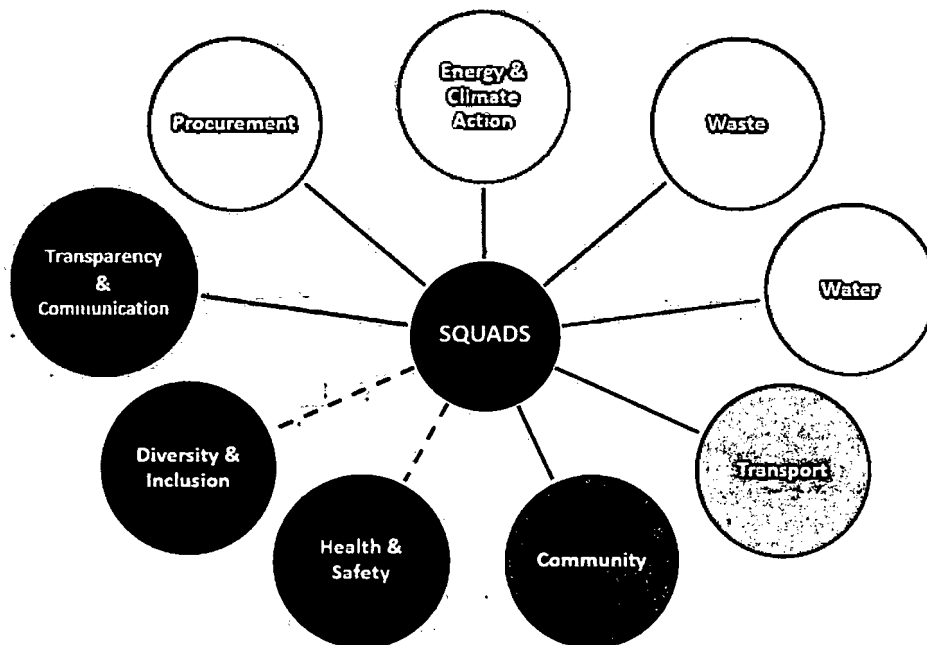
Sustainability

At The FA, sustainability is defined as 'the need to be efficient in the present and ensure that we protect the needs of future generations'.

Following the formation of The FA Sustainability Team (FAST) in 2018, the group continues to develop The FA sustainability strategy and manage the event sustainability management system (ESMS).

In order to ensure that the sustainability issues of highest priority in the sporting and events industry are continually addressed by the ESMS, in September 2019 the issues register was reviewed. This involved engagement with key stakeholders, including employees, partners, suppliers, event owners and the community.

A Management Review took place in November 2019 to review the ESMS and ensure it remains suitable, adequate and effective, following this review and stakeholder engagement FAST Squads have been updated to reflect the newly identified issues.



All sustainability issues listed above are incorporated into the ESMS, however Health and Safety and Diversity and Inclusion are managed outside of FAST through existing systems within the FA Group.

FAST have established objectives and targets to drive change and ensure continual performance improvements across the business. Numerous initiatives have been implemented throughout 2019/20 to support the achievement of these targets, including switching to a renewable energy tariff, installing LED pitch floodlighting, reusing pitch soil from Wembley Stadium in local parks, running health screenings for employees and providing complimentary tickets to events at Wembley Stadium for local community groups.

The FA has developed a Sustainable Events Policy and Management System to align our bowl event activities to our values of inclusivity, leadership, responsibility and efficiency as outlined in our Statement of Purpose and Values. Through this Policy and System, the aim is to ensure our events are accessible to all, demonstrate leadership in event sustainability management, ensure all those involved in events are treated with respect and reduce the overall environmental impacts of our events.

In September 2019, The FA Group was awarded the ISO 20121 international standard for its event sustainable management system, (ESMS).

In February 2020 the FA Group signed up to the UNFCC Sport for Climate Action Initiative, this initiative seeks to align the global sports community with the goals of the Paris Agreement and support the ambition to achieve climate neutrality by 2050.

Football Association Limited

Strategic report

Directors' section 172(1) statement

The directors have sought, collectively and individually, to conduct themselves at all times honestly, fairly, impartially and in accordance with the highest ethical standards. These behaviours are considered central to promoting the success of The FA, and in exhibiting them the Board have had careful regard to the matters set out in section 172(1)(a-f) of the Companies Act 2006. Examples of how the directors have had regard to each of these matters is set out below, with reference to information found elsewhere in this Strategic report.

Making Decisions in the Long-Term

Securing the long-term health of football in England, at all levels, is vital to the success of the organisation and is therefore central to the decision-making processes of the Board. As a result, consideration of the likely consequences of a decision in the long term permeates the Board's thinking on all issues. Whilst day-to-day management is delegated to the Senior Management Team, the Board retains oversight of matters of strategic importance, including the long-term objectives and overall strategic policy of the FA.

Considering Employees

Directors maintain a close regard for the interests of the company's employees by spending time meeting with senior employees to understand and discuss their areas. The directors provide feedback as a result of those meetings and use the knowledge gained when making relevant decisions.

Fostering Relationships with Suppliers, Customers and Stakeholders

The Board is very conscious of the importance of lasting relationships with stakeholder groups within football. Board members are aware of and actively consider the interests of stakeholders as part of the decision-making process.

Community and Environment

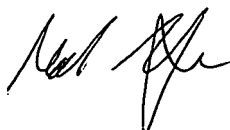
Contributing to the community is a key part of the FA Group's activities, especially with regard to football at grassroots levels. The FA runs various projects and initiatives to support the community and works to mitigate the impact of football on the environment.

Maintaining a Reputation for High Standards of Conduct

The Board aspires to the highest ethical standards in its management of the organisation. The Board achieves this internally by strict adherence to the company's codes of conduct, conflict of interest and anti-bribery policies and by prioritising the integrity of The FA in each decision it makes. The Board considers that the reputation of the company and operating it in accordance with high standards of conduct is of paramount importance to safeguarding football in the long-term in England.

Acting fairly between Members

The members of the company are all stakeholders in football. The Board is always aware of the importance of acting fairly between the stakeholders and this is considered whenever a decision is being made which affects one or more of the members. The Board engages with its stakeholders to ensure that it is aware of their views and to assist it in complying with its duty to act fairly between them.



Mark Bullingham
Chief Executive Officer
The Football Association
10 December 2020

Football Association Limited

Strategic report

Financial review

A year ago in my annual review I reported that our financial strength had enabled us to implement a medium-term financial plan, increasing our investments in football and Wembley Stadium whilst also repaying our debt facilities. We started the 2019/20 season strongly agreeing a new England partnership with Deliveroo, however this all changed with the outbreak of COVID-19.

The impact of COVID-19 on The FA has already been significant with likely long-lasting impacts on some of our revenue streams, although the full extent will not be known for some time. Behind closed doors events have severely impacted our Event and Club Wembley revenue, and we have been working hard to continue to deliver rights to our commercial partners to minimise losses in this area.

As a result, COVID-19 had multiple impacts on our 2019/20 financial results:

- £35.7 million revenue deferred into future seasons due to the rescheduling of both FA Cup Finals and four England fixtures;
- £2.0 million restructuring provision incurred; and
- £30.4 million in-year losses.

Operating profit has declined £53.0 million vs last year to £9.8 million. Excluding the COVID-19 impact, Operating profit had actually increased by £15.2 million. The majority of our revenue is billed in advance and therefore despite the profit impact, net cash excluding drawdowns in financing facilities increased by £55.5 million in the year.

Looking ahead, we have completed detailed strategic planning and scenario modelling and have planned prudently for a £300 million profit impact over our four-year strategic plan period to 2024. In our modelling we have reflected the immediate impact of playing fixtures behind closed doors but have also made an assessment of the longer-term impact on commercial and hospitality revenues as nobody can say with certainty what the future landscape post COVID-19 will look like. We have agreed with the Board that the full financial impact will be mitigated over the four-year strategic plan period and we recently completed a plan to reduce our cost base by £75 million per annum (£300 million in total) with reductions in prize money, facilities investment, grants to grassroots football and of course overheads. We also took the hard decision to restructure the organisation that unfortunately saw us remove 124 roles. These cost savings have been locked in through the Budget process for the 2020/21 season and beyond. This plan will see us recoup our losses over a relatively short time frame, however it does leave us with an immediate cash shortfall. In order to deal with this we moved swiftly to refinance, increasing our bank borrowing facility to £250 million which will reduce down each year over the next four years as our cost mitigation kicks in, and we have secured £175 million of short-term funding under the Government's Covid Corporate Financing Facility ("CCFF"). These measures provide us with a sufficient amount of headroom over our £300 million loss scenario and also enables us to deal with a longer period of events behind closed doors and a further drop in commercial income from our partners. We go into the new year with confidence that we have stabilised the financial position of the organisation in these very uncertain times.

Turnover

Broadcast income has declined £51.8 million in the year to £210.7 million, £29.1 million as result of events rescheduled into future years and £22.7 million due to revenue lost from the rescheduling of round 5 of The Men's FA Cup fixtures to accommodate the Winter Break and no UEFA Nations League revenue in the year.

Sponsorship income has declined £10.1 million in the year to £53.3 million, £21.7 million as a result of events rescheduled into future years, with an underlying increase of £11.9 million due to the full year impact of new deals with BT, EE and Barclays and our new partner Deliveroo.

Events income has declined £52.0 million in the year to £13.4 million, £19.7 million as a result of matches being played behind closed doors; however, we have also seen a decrease compared to last year due to no concerts taking place and the Tottenham Hotspur tenancy coming to an end during the 18/19 season.

Club Wembley revenue has declined £22.1 million in the year to £17.3 million. We have issued refunds and credit notes to seat and box owners of £15.9 million and underlying sales were hit as a result of being behind closed doors following the restart.

Cost of Sales

Cost of sales have declined £45.0 million to £35.0 million. The majority of this is due to savings from playing matches behind closed doors and the impact of cancelling all England team fixtures for the remainder of the year following the March lock down. There are also underlying savings attributable to having no concerts or Tottenham Hotspur matches.

Football Association Limited

Strategic report

Financial review

Investments into the game

Despite COVID-19, we still invested £150 million in football in the year. This was down £17 million against last year, primarily due to the savings in prize funds from the delay to The FA Cup final and other cost deferrals.

	2020	2019	Change
	£'m	£'m	£'m
Coaching & Participation	7	8	(1)
County FAs	16	17	(1)
Disability, Equality and Child Protection	5	5	-
FA Competition prize funds	45	51	(6)
Facilities	19	19	-
Other football organisations	22	25	(3)
Women's football	11	11	-
Parklife	10	10	-
Other Investments	15	21	(6)
	150	167	(17)

Operating Expenses

As COVID-19 took grip we reacted swiftly as an organisation to lock down spend. We have seen natural savings from utilities through not occupying our offices, however we also took action to reduce spend right across the business resulting in administrative expense savings in the year of £15.7 million.

Net Assets

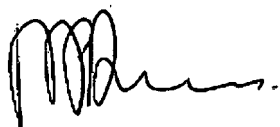
The net assets of The FA at 31 July 2020 were £177.6 million an increase of £18.2 million over the previous year end.

Debtors due within one year have decreased £18.2 million against prior year as we have not yet invoiced any Club Wembley members for the 2020/21 season. Creditors due within one year increased £36.8 million to £249.2 million, the largest driver being the impact of the rescheduled events on deferred revenue and a temporary increase in trade creditors resulting from an agreement with The Football Foundation to delay payments into the 2020/21 season.

Net debt and cashflow

The FA has a £250 million Revolving Credit Facility ("RCF") available through Barclays, Santander and NatWest. At 31 July 2020 we had drawn £137 million of this facility, an increase of £19.0 million over the last 12 months.

Net cash generated in the year was £76.4 million, £55.5 million excluding the additional draw down of the RCF taking cash at the bank to £115.6 million at 31 July 2020. The majority of our revenue is billed in advance and therefore at the time of the COVID-19 outbreak we had already received payment for the year. Despite the impact on profit there has therefore been less of an impact on cash, this can be seen by a large increase in deferred revenue on the balance sheet.



Mark Burrows
Chief Financial and Operating Officer
The Football Association
10 December 2020

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 2020.

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 including liquidity and financing (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 and financial review section).

Going concern

COVID-19 has had a significant influence on the financial position of The FA. We have taken a prudent view to our scenario modelling and have planned for a £300 million profit impact over the next four-years. This modelling reflects the immediate effect of finishing the 2019/20 season and playing the entire 2020/21 season behind closed doors. It also allows for the longer-term effect on commercial and hospitality revenues as we do not know what the new world post COVID-19 will look like. The profit impact will be fully mitigated over a four-year period to 2024 by reducing the cost base by £75 million per annum, these savings have been identified and locked in during the 2020/21 budget process. In order to deal with the immediate cash impact, we have increased our bank borrowing facility to £250 million (reducing over the next four years) and secured £175 million of short-term funding under the UK Government's CCFF. This has provided us with sufficient cashflow headroom over the going concern period whilst mitigating the losses by reducing spend over the next four-years.

The headroom we have is sufficient to cover the continuation of events being played behind closed doors for the remainder of 2021 calendar year and also to deal with the significant loss of commercial partner income. The directors therefore 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 a dividend.

Streamlined energy and carbon reporting

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 requires the FA Group to report on its UK energy usage and associated carbon emissions from the 2019/20 financial year. However, due to a lack of available data, the directors' report does not quantify energy consumed in kWh and emissions in tonnes of carbon dioxide resulting from the 2019/20 activities for which the Group is responsible involving:

- The combustion of gas;
- The consumption of fuel for the purposes of transport;
- The purchase of electricity by the company for its own use, including for the purposes of transport; and
- Emissions from business travel in rental cars or employee owned vehicles where the Group is responsible for purchasing the fuel.

Measures have been put in place to ensure the data required to quantify energy consumed in kWh and emissions in tonnes of carbon dioxide is collected and disclosed for both the 2019/20 and 2020/21 financial years as part of the 2020/21 annual report. The FA has taken a range of other measures for the purpose of increasing the Group's energy efficiency as outlined in the Corporate social responsibility section of the Strategic report.

Equal opportunities

At The FA, equality, diversity and inclusion mean valuing and celebrating our differences. Differences can include protected characteristics, but also go far beyond this. Additionally, differences can be visible or invisible. Irrespective of any differences, we are committed to treating all our employees and prospective employees fairly and respectfully. We have policies, practices and checks and balances in place to ensure this happens. In addition to this we have an Inclusion Advisory Board with a remit that includes advising The FA on widening diversity in The FA's wider football workforce alongside partnerships with all the football bodies and campaign groups such as Kick It Out with the aim of eradicating discrimination. In 2018 we published a three-year diversity and inclusion plan called 'In Pursuit of Progress' covering all areas of our work across football; from highlighting our commitment to broaden our talent pipeline, to our work on increasing representation in elite coaching, to supporting LGBT+ people in football.

Directors' report

Disabled employees

As an inclusive employer, we welcome applications from all candidates and are focussed on recruiting based on merit so that the best person for the role is always appointed. As part of our recruitment approach, our resourcing team works with candidates to make reasonable adjustments wherever requested and as appropriate. In the event of members of staff becoming disabled during their employment with The FA, or declaring their disability after being appointed, we provide individual and team training and resources, ensuring every effort is made to ensure that their employment with the Group continues in a supportive way.

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, staff intranet as well as all-staff conferences and other staff communication events.

Governance statement

The FA receives funding from Sport England and is therefore subject to the Tier 3 requirements of A Code for Sports Governance (the "Code"). Sport England confirmed that The FA is compliant with the Code. This governance statement is prepared as part of the Code requirements.

The Governance Framework of The FA

(i) The FA

The FA is a company limited by shares having incorporated in 1903. Shareholding is restricted to a closed community which comprises:

- County Football Associations;
- Full Member Clubs;
- FA Council Members;
- The FA Premier League; and
- The English Football League.

The FA Premier League and English Football League jointly hold the Professional Game Special Share which can only be exercised when certain changes to The FA's Articles of Association are proposed.

The FA's governing document is the Articles of Association which are included within The FA Handbook and is available through The FA's website.

(ii) The Board

The Board is the primary decision-making body within The FA and 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 comprises 10 directors, being the Chair, the Chief Executive Officer, three non-executive directors from the National Game, three non-executive directors from the Professional Game and two independent non-executive directors. David Gill (UEFA Executive Committee Member) and Paul Elliott (Inclusion Advisory Board Chair) are nominated Board observers.

Independent Non-Executive Chair: Vacant

Executive Director: Mark Bullingham, Chief Executive Officer

Mark was appointed as The FA's Chief Executive Officer on 1 August 2019. Mark joined The FA in August 2016 and previously led the commercial, marketing, digital and participation functions at the organisation, where under his tenure annual revenue at The FA rose by over £100 million. He previously held the position of CEO EMEA for Fuse Sports & Entertainment, responsible for running one of the fastest growing businesses in the sector with a client portfolio including 10 of the top 30 global brands. Prior to Fuse, Mark was the Director of Marketing for the America's Cup Event Authority in San Francisco. Mark has negotiated over \$2 billion of partnerships across a variety of platforms in sports, arts and music and is a qualified Level One coach involved in grassroots football. Mark is a trustee of the Football Foundation and a director of the Football Stadia Improvement Fund.

National Game Representatives

Robert Cotter

Bob was appointed onto The FA Board in July 2016, having been appointed to The FA Council in 2009 as the representative of Northamptonshire County FA. He is the Chair of the National Game Board and Health and Safety Committee and also serves on the Youth Participation and Development Committee, Futsal Committee and National Game Finance Committee. He is a director of Northamptonshire County FA and a former primary school head teacher.

Football Association Limited

Directors' report

Jack Pearce

Jack was appointed onto the Board in 2015, having first been appointed as a Divisional Representative on The FA Council in 2001 and is a Vice-Chair of The FA. Jack serves on the National Game Board, Nominations Committee, Remuneration Committee, Judicial Panel, National Game Finance Committee and Alliance Leagues 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-Chair. Jack is a Board member of the National League and a Council member of Sussex County FA as well as being a trustee of the Football Foundation.

Sue Hough

Sue was appointed onto the Board in July 2019, having first been appointed as a representative of the Women's Football Conference on The FA Council in 2000. Sue chairs the Women's Football Board and serves on the National Game Board, The FA Women's Super League and FA Women's Championship Board, Disability Football Committee, Judicial Panel and Referees' Committee. Sue is the CEO of Dorset County FA and in 2013 received an MBE for her services to women's and disability football.

Professional Game Representatives

Peter McCormick OBE

Peter was appointed onto the Board and Council in August 2015 as a representative of the Premier League and serves on the Professional Game Board, FA Challenge Cup Committee, Football Regulatory Authority, Nominations Committee, Council Membership & Appointments Committee and Remuneration Committee, the latter of which he chairs. He is a Vice-Chair of The FA and is currently its acting Chair. Peter is Chair of the Legal Advisory Group of the Premier League and Chair of the League's Football Board. Peter was Chair 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 Chair of Football Stadia Improvement Fund Ltd and a trustee of the Football Foundation. 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 in 2000.

Rick Parry

Rick was appointed onto the Board and Council in October 2019 as a representative of The English Football League and serves on the Professional Game Board. Rick is the Chair of the English Football League and is one of the UK's most experienced leaders in football, having served as both chief executive of Liverpool Football Club (1997-2009) and the Premier League (1991-1997). Rick was formerly a Board member of the European Club Association, has carried out two assignments for the UK government – joining the Sports Betting Integrity Panel in 2009 and advising the DCMS Select Committee on its football governance review in 2011 and has carried out a variety of football related consultancy projects in Saudi Arabia, Qatar, the UAE, Jordan, the US and Mexico.

Rupinder Bains

Rupinder was appointed onto the Board and Council in November 2017, jointly representing The English Football League and The FA Premier League. Rupinder is founder and Managing Director of the law firm Pinder Reaux & Associates Limited. The firm specialises in media, defamation and reputation management and sports law. Rupinder serves on the Membership and Sanctions Committee, Nominations Committee and Women's Football Board.

Independent Non-Executive Directors

Stacey Cartwright

Stacey was appointed onto the Board in June 2018. Stacey previously led the Harvey Nichols Group as Deputy Chair and Chief Executive Officer, prior to which she held senior executive roles at Burberry Plc, Egg Plc and Granada. Stacey also has non-executive experience having served on the boards of GSK and Liverpool FC and has been appointed onto the boards of Savills, AerCap, Genpact and Ovo Energy, the latter of which she chairs. Stacey serves on The FA's Group Audit Committee, Chairs the Nominations Committee and has been appointed as the Senior Independent Director.

Kate Tinsley

Kate was appointed onto the Board in October 2017. Kate is the Chief Executive Officer of the independent builders' merchant group, MKM, prior to which she was the Divisional Managing Director of Ibstock Plc and Chief Executive Officer of The Buildbase Group. Prior to this Kate has served in senior finance roles at Saint Gobain, BSS PLC and Grafton Group PLC. As an FA qualified coach Kate is passionate about football and motivated by her desire to ensure that football is For All. This includes making sure that there are equal opportunities for people of all ages and backgrounds to play and enjoy football at all levels of the game. Kate serves on the Remuneration Committee and Group Audit Committee.

Independence

The Articles provide the definition of independence for the independent non-executive directors and the Chair. At the time of their appointment, the Chair and 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

Football Association Limited

Directors' report

family. Two of the nine directors (Stacey Cartwright and Kate Tinsley) are independent in line with the requirements of the Code.

Board Appointments

The Chair and independent non-executive directors are ratified by the Council following a recommendation by the Nominations Committee and endorsement by the Board. The National Game directors are elected by the National Game Representatives on Council. The Professional Game directors are appointed by The FA Premier League (one director) and The English Football League (one director), with a further director being jointly appointed by both leagues. The Chair, independent non-executive directors and National Game Representatives are subject to a maximum of three terms of three years. The Professional Game Representatives are appointed annually and are subject to a maximum term of nine years. John Nixon was replaced by Rick Parry as the nominee of The English Football League in October 2019. The Board maintains a matrix detailing the skills, experience and knowledge required of the Board and appointments are made with reference to this.

Board Roles

There is a clear division of responsibility between the roles of Chair and Chief Executive Officer. The Chair 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.

In accordance with the requirements of the Code, the Board has appointed Stacey Cartwright as the Senior Independent Director and she acts as a sounding board for the Chair, an intermediary for the other directors as necessary, an alternative contact for shareholders or Council Members at Board level and leads on the process of appraising the Chair.

Board Induction

Newly appointed directors are subject to a formal induction process which includes meeting with each of The FA's Senior Management Team.

Board Evaluation

The FA carried out an externally facilitated evaluation of the Board in 2019 with the results presented to the Board in September 2019. A number of recommendations arising from the evaluation have been put in place, notably the development of an annual forward plan of the various business and football related matters which need to be discussed at Board level.

(iii) Board Committees

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;
- Inclusion Advisory Board;
- Women's Football Board;
- FA Women's Super League and FA Women's Championship Board;
- Health and Safety Committee; and
- Disability Football Committee.

National Game Board

The National Game Board ("NGB") receives delegated authority from The FA Board to manage football right through from the grassroots level of the game up to the National League. This includes the development and implementation of the National Game Strategy and decisions on how funding allocated by The FA is spent and distributed within the National Game. The NGB comprises Brian Adshead, Rimla Akhtar, Bob Cotter (Chair), Mark Frost, Sue Hough MBE, Neil Hope MBE, Jack Pearce, Nick Robinson, David Simpson, Mike Spinks, John Suddards, John Taylor, John Topping

Football Association Limited

Directors' report

and Thura Win. The NGB has a number of sub-committees with responsibility for specific matters within grassroots football.

Professional Game Board

The Professional Game Board ("PGB") receives delegated authority from The FA Board to manage football at the professional level of the game which includes the administration of The Emirates FA Cup and The Community Shield. The PGB has authority to determine how funding allocated by The FA is spent and distributed within the Professional Game. The PGB has one sub-committee, The FA Challenge Cup Committee which manages and controls The FA Challenge Cup competition. The PGB comprises Peter McCormick (Chair, Premier League), Rebecca Caplehorn (Premier League), Paul Barber (Premier League), Phil Alexander (Premier League), Rick Parry (EFL), Mark Ashton (EFL), Jez Moxey (EFL), and John Nixon (EFL).

Group Audit Committee

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

- 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, covering the consolidated Group and the individual entities: Football Association Limited, Wembley National Stadium Limited and National Football Centre Limited.

The GAC is comprised of an independent chair, Tim Score, alongside Stacey Cartwright and Kate Tinsley (FA independent non-executive board directors) and two independent members, Mary Reilly and Jill Ainscough.

The independent chair and independent members have no connections with The FA companies 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 FA 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 Peter McCormick OBE (Chair), Kate Tinsley, Jack Pearce and Stacey Cartwright. It is responsible for advising the Board on the pay and terms and conditions of the Chief Executive Officer, members of senior management and the Chair and non-executive directors of FA Group companies. 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.

Nominations Committee

The Nominations Committee comprises Stacey Cartwright (Chair), Jack Pearce, Rupinder Bains and Peter McCormick OBE. It is responsible for identifying and nominating candidates for the positions of independent non-executive director and Chair, succession planning within the Board and senior management and recommending to the Board the candidate for the role of senior independent director. The Committee uses the services of external recruitment consultancies and openly advertises the positions.

Inclusion Advisory Board

The Inclusion Advisory Board ("IAB") provides advice to the Board in respect of inclusion matters, including ensuring that equality, inclusion and diversity is at the core of everything The FA does. The IAB is chaired by Paul Elliott CBE and comprises Rimla Akhtar MBE, Hannah Dingley, Christina Pauros, Nuala Walsh, Sarah Hughes, Liam Rosénior, and Marvin Sordell who are each independent from The FA and bring knowledge and experience of inclusion, equality and diversity matters. Wasim Haq, Staynton Brown, Sanjay Bhandari and Roya Mehdizadeh-Valoujerdy also serve on the IAB as observers.

Football Association Limited

Directors' report

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 excludes the management of the FA Women's Super League and FA Women's Championship. The WFB is chaired by Sue Hough MBE and comprises Rupinder Bains, Elaine Oram, Baroness Sue Campbell, Hannah Dingley, Jason Lee, Dr Robina Shah, Thura Win, Elizabeth Jenkin, Bruce Buck and Svenja Geissmar.

FA Women's Super League and FA Women's Championship Board

The FA Women's Super League and FA Women's Championship Board was established in 2019 and has specific responsibility for managing the FA Women's Super League and FA Women's Championship competitions. The Board comprises Dawn Airey (Chair), Liz Nicholl, David Gregson (all independent members), Bruce Buck, Svenja Geissmar, Omar Berrada, Rebecca Caplehorn, Susan Whelan, Lee Sanders (all club representatives), Mark Bullingham, Baroness Sue Campbell and Sue Hough MBE (all FA appointed members).

Health and Safety Committee

The Health and Safety Committee is responsible for overseeing health and safety matters within The FA and to ensure that The FA is discharging its statutory and regulatory obligations. The Committee is chaired by Bob Cotter and comprises other members of The FA's executive.

Disability Football Committee

The Disability Football Committee is responsible for the development of disability football from grassroots through to elite and the management of disability football competitions. The Committee is chaired by Colin Chaytors and comprises Brian Adshead, Neil Hope MBE, Sue Hough MBE, Shan Jaehrig, Tony Kybett, Mike Spinks and Mike Stokes (all FA Council Members), David Clarke, Dr Robinha Shah and Peter Harding (all independent advisors) and Ray Ashley, David McDermott and Jeff Mostyn (all co-opted members).

(iv) The FA Council and Committees

The role of The FA Council is to regulate football matters including regulation and disciplinary matters, management of the National League System, the registration, control and development of referees, youth football and match and competition sanctioning. The Council meets five times per season and meetings routinely include presentations from members of the executive on topical issues within the game.

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, Council Membership and Appointments Committee, Leagues Committee, Membership and Sanctions Committee, Alliance Leagues Committee and Youth Participation and Development Committee.

The Council comprises representatives from different constituencies of the game, including County FAs, the Premier League, EFL, FA Women's Super League and FA Women's Championship, various leagues within the National League System, managers, players, the education sector and supporters. There are currently 117 members of the Council.

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 (John Topping, David Elleray MBE, Nick Robinson and Richard Tur) and Professional Game (Robert Coar, Stephen Pearce, Peter McCormick OBE and Rebecca Caplehorn) and a further four independent members (Sir Ian Johnston, Graeme Le Saux and Chris Brady with one position currently vacant).

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 met twelve times during the reporting year. Eight of these were scheduled meetings and four were unscheduled meetings. 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.

Football Association Limited

Directors' report

Name	Role	Date resigned/ appointed	Board meetings
G Clarke	Chairman	Resigned 10 November 2020	11 (12)
R Bains	The FA Premier League, The English Football League		12 (12)
M Bullingham	Chief Executive Officer	Appointed 1 August 2019	12 (12)
S Cartwright	Senior Independent Non-Executive	Resigned 28 November 2020	11 (12)
R Cotter	Northamptonshire CFA		12 (12)
S Hough MBE	Women's Football Conference		11 (12)
P McCormick OBE	FA Vice-Chair, The FA Premier League		12 (12)
J Nixon	The English Football League, Carlisle Utd FC	Resigned 18 October 2019	1 (1)
J Pearce	FA Vice-Chair, Divisional Representative, Bognor Regis Town FC		12 (12)
R Parry	The English Football League,	Appointed 18 October 2019	11 (11)
K Tinsley	Independent Non-Executive		12 (12)

Following the resignation of Greg Clarke, Peter McCormick is acting as interim Independent Non-Executive Chair. Following the resignation of Stacey Cartwright, Kate Tinsley is acting as interim Senior Independent Director. The Board and Committee compositions are currently being reviewed.

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. Please refer to note 7 of the financial statements for a breakdown of each director's remuneration for the season.

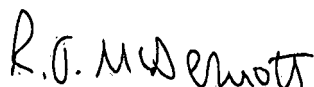
Each of the persons who is a director at the date of approval of this report confirms that:

- 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

10 December 2020

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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 Football Association Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Football Association Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the company's affairs as at 31 July 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated profit and loss account;
- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 26.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

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, and for such internal control as the directors

Independent auditor's report to the members of Football Association Limited

determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

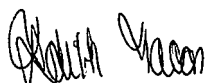
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

We have nothing to report in respect of these matters.

Use of our report

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.



Judith Tacon (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

10 December 2020

Football Association Limited

Consolidated profit and loss account Year ended 31 July 2020

	Notes	2020 £'000	Restated* 2019 £'000
Turnover	3	335,088	466,220
Cost of sales		(34,973)	(79,981)
Gross profit		300,115	386,239
Investments into the game		(149,497)	(166,842)
Administrative expenses		(140,931)	(156,629)
Restructuring expenses		(2,015)	-
Gains on foreign exchange and mark to market revaluation	5	2,174	11
Total operating expenses		(290,269)	(323,460)
Operating profit		9,846	62,779
Interest receivable and similar income	4	396	667
Interest payable and similar expenses	4	(7,328)	(6,438)
		(6,932)	(5,771)
Profit on ordinary activities before taxation	5	2,914	57,008
Tax loss on ordinary activities	8	(1,435)	(11,602)
Profit for the year		1,479	45,406

All the above results are derived from continuing operations.

* Please refer to Note 26 of the financial statements for further details of changes to the presentation of profit and loss items above Operating profit.

Consolidated statement of comprehensive income Year ended 31 July 2020

	Notes	2020 £'000	2019 £'000
Profit for the year		1,479	45,406
Hedge reserve movements recognised in other comprehensive income (net of tax)	20	17,924	(25,026)
Actuarial losses on pension scheme (net of tax)	23	(4,775)	(3,067)
Total comprehensive income for the year		14,628	17,313

All the above results are derived from continuing operations.

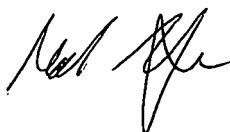
Football Association Limited

Consolidated statement of financial position As at 31 July 2020

	Notes	2020 £'000	2019 £'000
Fixed assets			
Intangible assets	10	210	216
Tangible assets	11	537,768	544,282
Deferred tax asset	13	4,457	715
		<u>542,435</u>	<u>545,213</u>
Current assets			
Stock		139	162
Debtors due within one year	14	67,286	85,518
Debtors due after more than one year	14	1,654	829
Cash at bank and in hand		115,654	39,241
Pension asset	23	7,024	12,888
		<u>191,757</u>	<u>138,638</u>
Creditors: amounts falling due within one year	15	<u>(249,178)</u>	<u>(212,417)</u>
Net current liabilities		<u>(57,421)</u>	<u>(73,779)</u>
Total assets less current liabilities		<u>485,014</u>	<u>471,434</u>
Creditors: amounts falling due after more than one year	16	<u>(307,382)</u>	<u>(312,048)</u>
Net assets		<u>177,632</u>	<u>159,386</u>
Capital and reserves			
Called up share capital	19	-	-
Hedge reserve	20	(4,624)	(26,166)
Profit and loss account		182,256	185,552
Shareholders' funds		<u>177,632</u>	<u>159,386</u>

These financial statements of Football Association Limited, company number 00077797, were approved by the Board of Directors on

Signed on behalf of the Board of Directors



Mark Bullingham
Chief Executive Officer
10 December 2020

Football Association Limited

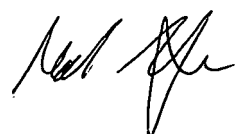
Company statement of financial position As at 31 July 2020

	Notes	2020 £'000	2019 £'000
Fixed assets			
Tangible assets	11	12,851	12,359
Fixed asset investments	12	230,001	230,001
Deferred tax asset	13	5,473	2,577
		<u>248,325</u>	<u>244,937</u>
Current assets			
Debtors due within one year	14	199,042	179,753
Debtors due after more than one year	14	61,351	244,416
Cash at bank and in hand		98,278	11,162
Pension asset	23	7,024	12,888
		<u>365,695</u>	<u>448,219</u>
Creditors: amounts falling due within one year	15	<u>(215,713)</u>	<u>(154,816)</u>
Net current assets		<u>149,982</u>	<u>293,403</u>
Total assets less current liabilities		<u>398,307</u>	<u>538,340</u>
Creditors: amounts falling due after more than one year	16	<u>(139,453)</u>	<u>(141,513)</u>
Net assets		<u>258,854</u>	<u>396,827</u>
Capital and reserves			
Called up share capital	19	-	-
Hedge reserve	20	(4,624)	(26,166)
Profit and loss account		<u>263,478</u>	<u>422,993</u>
Shareholders' funds		<u>258,854</u>	<u>396,827</u>

The result for the financial year generated by the parent company was a £154.7 million loss (2019: £50.2 million profit). 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.

These financial statements of Football Association Limited, company number 00077797, were approved by the Board of Directors on

Signed on behalf of the Board of Directors



Mark Bullingham
Chief Executive Officer
10 December 2020

Football Association Limited

Consolidated statement of changes in equity As at 31 July 2020

	Share capital £'000	Profit and loss account £'000	Hedge reserve £'000	Total £'000
Balance at 31 July 2018	-	143,213	(1,140)	142,073
Profit for the financial year	-	45,406	-	45,406
Remeasurement of pension obligations	-	(3,067)	-	(3,067)
Hedge reserve movements recognised in other comprehensive income	-	-	(25,026)	(25,026)
Total comprehensive income / (loss)	-	42,339	(25,026)	17,313
Balance at 31 July 2019	-	185,552	(26,166)	159,386
Profit for the financial year	-	1,479	-	1,479
Remeasurement of pension obligations	-	(4,775)	-	(4,775)
Hedge reserve movements recognised in other comprehensive income	-	-	17,924	17,924
Total comprehensive income / (loss)	-	(3,296)	17,924	14,628
Hedge reserve movements recognised in deferred revenue	-	-	3,618	3,618
Balance at 31 July 2020	-	182,256	(4,624)	177,632

Football Association Limited

Company statement of changes in equity As at 31 July 2020

	Share capital £'000	Profit and loss account £'000	Hedge reserve £'000	Total £'000
Balance at 31 July 2018	-	375,906	(1,140)	374,766
Profit for the financial year	-	50,154	-	50,154
Remeasurement of pension obligations	-	(3,067)	-	(3,067)
Hedge reserve movements recognised in other comprehensive income	-	-	(25,026)	(25,026)
Total comprehensive income / (loss)	-	47,087	(25,026)	22,061
Balance at 31 July 2019	-	422,993	(26,166)	396,827
Profit for the financial year	-	(154,740)	-	(154,740)
Remeasurement of pension obligations	-	(4,775)	-	(4,775)
Hedge reserve movements recognised in other comprehensive income	-	-	17,924	17,924
Total comprehensive income / (loss)	-	(159,515)	17,924	(141,591)
Hedge reserve movements recognised in deferred revenue	-	-	3,618	3,618
Balance at 31 July 2020	-	263,478	(4,624)	258,854

Football Association Limited

Consolidated cash flow statement Year ended 31 July 2020

	Note	2020 £'000	2019 £'000
Net cash flows from operating activities	21	89,957	10,767
Cash flows from investing activities			
Interest received		119	229
Purchase of tangible fixed assets		(25,325)	(23,954)
Net cash flows from investing activities		(25,206)	(23,725)
Cash flows from financing activities			
Receipt of borrowings		19,000	18,000
Interest paid		(6,885)	(6,194)
Repayments of obligations under finance leases		(453)	(357)
Net cash flows from financing activities		11,662	11,449
Net increase / (decrease) in cash and cash equivalents		76,413	(1,509)
Cash and cash equivalents at beginning of year		39,241	40,750
Cash and cash equivalents at end of year		115,654	39,241

Football Association Limited

Notes to the financial statements Year ended 31 July 2020

1. Accounting policies

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

a) General information and basis of accounting

Football Association Limited is a company incorporated in the United Kingdom under the Companies Act 2006. 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 pounds sterling because that is the currency of the primary economic environment in which the Group operates. The consolidated and company 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 year are consolidated for the years 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 year end, the Group had net current liabilities of £57.4 million (2019: £73.8 million) which included £135.7 million of deferred income (2019: £108.8 million).

However, the FA has access to a rolling credit facility (RCF) of £250 million of which £137 million had been drawn down at 31 July 2020. In addition, the FA has secured funding of £175 million through the UK Government's CCFF scheme. The RCF reduces to the following amounts each year until expiry on 1st October 2024, £150 million on 1st October 2022, £50 million on 1st October 2023. The CCFF is repayable on 24th September 2021.

Therefore, whilst the net current liabilities position of a company is a key indicator in determining if an entity is solvent, due to the existence of the RCF and CCFF, we believe that this does not impact the FA's ability to continue as a going concern.

We have modelled what we believe to be a prudent scenario over the going concern period which sees significant impacts across our Broadcasting, Sponsorship, Club Wembley and Events revenues as a result of COVID-19. The scenario modelled sees the entire 2020/21 season played behind closed doors. Offsetting the revenue downsides we have assumed we reduce our cost base by £75 million per annum and this has been reflected in our Budget for the 2020/21 season. Allowing for all of this, throughout the going concern period headroom of at least £57 million is maintained vs the available debt facility, excluding a minimum cash balance of £30 million. We have run sensitivities over the financial model and the headroom is more than sufficient to allow for the continuation of events being played behind closed doors throughout the 2021 calendar year, the significant loss of commercial partner income and we also have the ability to deal with the lost revenue should any of our competitions be impacted.

A covenant waiver has been granted from the commercial banks for the two assessment dates that fall in the going concern period (January and July 2021). Despite the going concern assessment only running to December 2021, management has also assessed the forecast covenant compliance for January 2022, given its proximity to the period. Our forecasting shows headroom vs both banking covenants, however this becomes much tighter when overlaying our sensitivity scenarios. If our prudent planning proves accurate and we are unable to negotiate a further covenant waiver with the banks for January 2022 then we have identified cost mitigation opportunities across both operating expenditure and capital expenditure which would more than cover any potential shortfall.

Football Association Limited

Notes to the financial statements Year ended 31 July 2020

1. Accounting policies (continued)

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.

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 years covered under such contracts.

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

Club Wembley licence fees - The revenue is recognised when the licence agreement has been signed and the exercise period commences. Total revenue from licence fees is spread evenly across the term of the licence. From the 2017/18 season new licence agreements are typically for a three-year term.

Club Wembley season fees - When a customer first joins Club Wembley, revenue is recognised from when the licence agreement has been signed and the licence period has commenced. 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 year 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 a monthly rate of exchange determined at the start of each month. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are reported at the rates of exchange prevailing at that date. The \$ - £ exchange rate used at 31 July 2020 was 1.27 (2019: 1.22). The € - £ rate used at 31 July 2020 was 1.10 (2019: 1.09). 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, unless for that relating to a derivative contract which has been designated as a hedged item.

g) Investment into the game

Investments into the game comprise grants and donations that are made to both the Professional Game and National Game. These are recognised and charged to the profit and loss when a constructive obligation arises.

Football Association Limited

Notes to the financial statements Year ended 31 July 2020

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 statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position 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 statement of financial position 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 years 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 years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the statement of financial position 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 year 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 year, 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 operating profit and included within finance costs). Remeasurement comprising actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions and the return on scheme assets (excluding net interest) 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. The defined benefit liability is valued using an independent actuary. 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 statement of financial position date.

The Group's obligation to fund the defined contribution scheme is limited to the agreed funding to the scheme. 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 statement of financial position.

Football Association Limited

Notes to the financial statements Year ended 31 July 2020

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 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 year 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 of fifty years.

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 George's 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.

Football Association Limited

Notes to the financial statements Year ended 31 July 2020

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 year or prior years
- 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 relevant class of Stadium asset. 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.

Football Association Limited

Notes to the financial statements Year ended 31 July 2020

1. Accounting policies (continued)

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, for those derivative financial instruments not designated as a hedged item.

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) Hedge accounting

The Group adopted hedge accounting during the 2016/17 season and has continued to apply this since 2018/19. The Group has designated certain derivatives as hedging instruments in cash flow hedges. However, for derivative contracts which have not been designated as hedged items they are accounted for in line with the derivative financial instruments policy.

At the inception of the hedge relationship, the entity documents the economic relationship between the hedging instrument and the hedged item, along with its risk management objectives and clear identification of the risk in the hedged item that is being hedged by the hedging instrument. Furthermore, at the inception of the hedge, the Group determines, and documents causes for hedge ineffectiveness.

Note 18 sets out details of the fair values of the derivative instruments used for hedging purposes.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and a separate reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in the profit and loss account. Amounts accumulated in this reserve are reclassified to profit or loss in the years in which the hedged item cash flow occurs.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time is reclassified to the profit and loss account when the hedged item is recognised in the profit and loss account. When a forecast transaction is no longer expected to occur, any gain or loss that was accumulated in equity (other comprehensive income) is reclassified immediately to profit and loss account.

s) 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 to match them with the expenditure to which they relate.

Football Association Limited

Notes to the financial statements Year ended 31 July 2020

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company'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.

Critical accounting judgements

No critical accounting judgements have been identified during the current financial year.

Key sources of estimation uncertainty in applying the company's accounting policies

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

Impairment review of tangible assets and investments in subsidiaries

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 the hotel at St George's Park (see note 11 for details of carrying values). In addition to reviewing the value of the asset itself for the consolidated financial statements, the company's investment in Wembley National Stadium Limited (carrying value of £621 million) and the National Football Centre Limited (carrying value of £36 million) has also been assessed (see note 12), including fixed asset investments and intercompany loans. 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. Wembley Stadium generates cash primarily from Club Wembley, event hosting and sponsorship. The significant cash outflows come from the on-going running costs of the stadium and capital projects to enhance the stadium.

COVID-19 has had a significant impact on the forecast cash flows for Wembley Stadium, principally Club Wembley and Events. Event revenue is expected to be impacted in the short term while we are hosting events behind closed doors, the expectation is that event profit recovers quickly once crowds are allowed inside stadiums again. Club Wembley revenues are harder to forecast and highly sensitive. As a result of COVID-19 we have already experienced higher churn rates for our renewing members and have missed out on a significant new sales period, this has resulted in us modelling a conservative estimate of contracted members in the short term. We forecast a return to Pre-COVID levels of members and profitability, but this is anticipated to be a long and slow recovery, not approaching Pre-COVID levels of members until 2030.

We have performed a number of sensitivities against our modelling, notably looking at retention and new sales rates within Club Wembley which are the two key sensitivities in the model. A change in either of these sensitivities from our base modelling could see us either taking an impairment of c£50 million or generating headroom of c£90 million.

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 including the forecast occupancy rates of the hotel and capital expenditure.

The discount rate used within the calculation is the interest rate attached to the hotel's 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 (including default risk of the financial institution), which includes a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates.

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, mortality rates, demographics of scheme participants and the rates of increase in salaries and pensions.

Football Association Limited

Notes to the financial statements Year ended 31 July 2020

3. Turnover

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

	2020 £'000	Restated* 2019 £'000
Turnover:		
Broadcasting	210,684	262,524
Sponsorship and licensing	53,309	63,446
Club Wembley	17,342	39,488
Events	13,388	65,431
Grant income	13,790	12,326
St George's Park	8,389	12,667
Other income	18,186	10,338
	<u>335,088</u>	<u>466,220</u>

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

Turnover:		
UK	208,738	315,582
Overseas	126,350	150,638
	<u>335,088</u>	<u>466,220</u>

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.

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

	2020 £'000	Restated* 2019 £'000
Sale of goods	64	301
Rendering of services	320,741	453,094
Rental income	493	499
Grant income	13,790	12,326
	<u>335,088</u>	<u>466,220</u>

Further detail on the Group's grants is provided in Notes 15 and 16.

* Please refer to Note 26 of the financial statements for further details of changes to the presentation of profit and loss items above Operating profit.

Barter transactions

The amount of barter transactions for goods and other services recognised in turnover is £3.9 million (2019: £3.5 million).

Operating lease income

Turnover included operating lease income from letting office space within the Stadium of £0.5 million (2019: £0.5 million).

Football Association Limited

Notes to the financial statements Year ended 31 July 2020

4. Finance costs (net)

	2020 £'000	2019 £'000
Interest payable and similar charges		
Bank interest payable	2,134	2,118
Finance lease interest payable	3,404	3,393
	<u>5,538</u>	<u>5,511</u>
Other finance costs		
Interest rate cap	-	203
Other financing charges	31	-
Amortisation of issue costs	1,316	480
Defined benefit obligations costs	443	244
	<u>1,790</u>	<u>927</u>
	<u>7,328</u>	<u>6,438</u>
Interest receivable		
Bank interest receivable	119	229
Interest on net defined benefit	277	438
	<u>396</u>	<u>667</u>

Bank interest primarily relates to the £250 million Revolving Credit Facility ("RCF"). This facility is secured against the value of Wembley Stadium.

The remaining term of the RCF is four years (repayable in October 2024) and interest is payable at a variable rate of LIBOR + 1.9% (see note 16).

Football Association Limited

Notes to the financial statements Year ended 31 July 2020

5. Profit on ordinary activities before taxation

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

	2020 £'000	2019 £'000
Restructuring expenses	2,015	-
Depreciation of tangible fixed assets – owned	30,681	28,414
Depreciation of tangible fixed assets – held under finance lease	1,158	2,010
Amortisation of intangible assets	6	6
Amortisation of deferred capital grants	(1,037)	(1,037)
Amortisation of income grants	(243)	(287)
Operating lease rentals	1,034	1,117
Fair value loss on forward currency contracts and interest rate cap measured at fair value through profit and loss (see Note 17)	10	400
Foreign exchange gain	(2,185)	(411)

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

Fees payable to the Group's auditor for audit services

	2020 £'000	2019 £'000
Fees payable to the Group's auditor for the audit of The FA's annual accounts	117	120
Fees payable to the Group's auditor for the audit of The FA's subsidiaries	115	98
Total audit fees	232	218

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

	2020 £'000	2019 £'000
Taxation compliance services	16	15
Other taxation advisory services	105	36
Other services	20	117
Total non-audit fees	141	168

Football Association Limited

Notes to the financial statements Year ended 31 July 2020

6. Staff numbers and costs

The average monthly number of Group employees was:

	2020 No.	2019 No.
Promotion of Association Football	846	825
Stadium and event management	94	89
Hotel management	270	272
	<u>1,210</u>	<u>1,186</u>

Their aggregate remuneration comprised:

	2020 £'000	Restated* 2019 £'000
Wages and salaries	52,790	54,991
Social security costs	6,823	6,873
Other pension costs	2,808	2,646
Severance costs	2,856	398
	<u>65,277</u>	<u>64,908</u>

During the year The FA took advantage of the UK Government's Coronavirus Job Retention Scheme. Wages and salaries costs disclosed above are shown net of contributions of £3.2 million from the UK Government.

* Please refer to Note 26 of the financial statements for further details of changes to the presentation of profit and loss items above Operating profit.

7. Directors' and senior management team remuneration

Directors were remunerated £0.8 million (2019: £1.1 million) in respect of services provided during the season, broken down as follows:

	2020 £'000	Restated* 2019 £'000
M Bullingham (appointed 1 August 2019)	524	-
G Clarke	177	184
S Cartwright	24	25
R Cotter	18	15
S Hough	16	-
M Leggett	-	21
J Nixon	1	1
J Pearce	11	7
J Rodwell	-	3
K Tinsley	25	26
R Bains	4	-
Directors who held position in 2018/19 but not in 2019/20	-	830
	<u>800</u>	<u>1,112</u>

There were no directors to whom retirement benefits were accruing in respect of qualifying services in respect of defined benefit schemes (2019: none).

There were no directors (2019: none) to whom retirement benefits were accruing in respect of qualifying services in respect of money purchase pension scheme.

Football Association Limited

Notes to the financial statements Year ended 31 July 2020

7. Directors' and senior management team remuneration (continued)

In addition to directors, total remuneration of £3.1 million was paid to members of the senior management team during the current season (2019: £4.7 million).

All directors and senior management agreed to waive their entitlement to any bonus payments for the 2019/20 season.

£nil balances were due to remuneration provided by third party or the appointments were made at the end of financial year.

* Historically directors' remuneration has been presented on a cash settled basis. In the current year we have presented remuneration on an accruals basis and restated the prior year comparatives accordingly.

8. Tax on profit on ordinary activities

The tax charge comprises:

	2020 £'000	2019 £'000
Current tax on profit on ordinary activities		
UK corporation tax	(8,512)	(12,532)
Adjustments in respect of prior years	273	240
Total current tax	(8,239)	(12,292)
Deferred tax		
Origination and reversal of timing differences	7,265	395
Effect of current year changes to statutory tax rate	(549)	-
Adjustments in respect of prior years	88	295
Total deferred tax	6,804	690
Total tax on profit on ordinary activities	(1,435)	(11,602)

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:

Profit on ordinary activities	2,914	57,008
Tax on Group profit on ordinary activities at the standard UK corporation tax rate of 19.00% (2019: 19.00%)	(554)	(10,831)
Effects of:		
Expenses not deductible for tax purposes	(1,111)	(1,646)
Non-taxable release of grant income	419	272
Effect of current year changes to statutory tax rate	(549)	-
Adjustment in respect of prior years	360	535
Fair value movement on unhedged financial instruments	-	68
Group total tax charge for the year	(1,435)	(11,602)

The standard rate of tax applied to reported profit on ordinary activities is 19.00% (2019: 19.00%).

A change to the main UK corporation tax rate, announced in the Budget on 11 March 2020, was substantively enacted for UK GAAP purposes on 17 March 2020. The rate applicable from 1 April 2020 now remains at 19%, rather than the previously enacted reduction to 17%. Deferred taxes have been re-measured to 19%, the rate at which the majority of items making up the deferred tax balance are expected to reverse.

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

Football Association Limited

Notes to the financial statements Year ended 31 July 2020

9. Profit or loss attributable to the company

The profit or loss for the financial year dealt with in the financial statements of the parent company was a £154.7 million loss (2019: £50.2 million profit). 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 2019 and 31 July 2020	250
Amortisation	
At 1 August 2019	34
Charge for the year	6
At 31 July 2020	40
Net book value	
At 31 July 2020	210
At 31 July 2019	216

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	Assets under construction £'000	Total £'000
Cost						
At 1 August 2019	135,649	670,596	4,867	109,633	1,070	921,815
Additions	778	5,136	-	17,336	2,075	25,325
Transfers	-	-	-	275	(275)	-
At 31 July 2020	136,427	675,732	4,867	127,244	2,870	947,140
Accumulated depreciation						
At 1 August 2019	23,920	285,402	2,256	65,955	-	377,533
Charge for the year	1,075	18,983	325	11,456	-	31,839
At 31 July 2020	24,995	304,385	2,581	77,411	-	409,372
Net book value						
At 31 July 2020	111,432	371,347	2,286	49,833	2,870	537,768
At 31 July 2019	111,729	385,194	2,611	43,678	1,070	544,282

Land and buildings include freehold land, which is held at cost of £67.4 million (2019: £67.4 million). It also includes long leasehold property of £3.9 million (2019: £3.9 million).

Included within the above assets is £25.1 million (2019: £26.0 million) of assets held under finance leases. This relates to a sale 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. These assets are held at cost of £49.0 million (2019: £48.7 million) less accumulated depreciation of £23.9 million (2019: £22.7 million).

Borrowing costs amounting to £73.6 million (2019: £73.6 million) incurred on construction of the stadium have been included within the cost of the stadium asset.

Football Association Limited

Notes to the financial statements Year ended 31 July 2020

11. Tangible fixed assets (continued)

Company	Stadium £'000	Fixtures, fittings, plant and equipment £'000	Assets under construction £'000	Total £'000
Cost				
At 1 August 2019	2,444	24,191	1,070	27,705
Additions	-	3,007	2,077	5,084
Transfers	-	275	(275)	-
At 31 July 2020	2,444	27,473	2,872	32,789
Accumulated depreciation				
At 1 August 2019	532	14,814	-	15,346
Charge for the year	51	4,541	-	4,592
At 31 July 2020	583	19,355	-	19,938
Net book value				
At 31 July 2020	1,861	8,118	2,872	12,851
At 31 July 2019	1,912	9,377	1,070	12,359

12. Fixed asset investments

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Subsidiary undertakings	-	-	230,001	230,001

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*	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
England Soccer Enterprises Limited	Dormant

The registered address of all above entities is Wembley Stadium, Wembley, London, HA9 0WS.

*The carrying value of Wembley National Stadium Limited and National Football Centre Limited is equal to the sum of The FA investment in the company and intercompany loans (net of any impairment) payable to The FA.

Football Association Limited

Notes to the financial statements Year ended 31 July 2020

13. Deferred tax asset

	Group £'000	Company £'000
At 1 August 2019	715	2,577
Credited to profit and loss account	6,804	5,958
Charged to other comprehensive income	(3,062)	(3,062)
At 31 July 2020	4,457	5,473

Deferred tax is provided as follows:

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Capital allowances in excess of depreciation	4,675	2,496	1,142	776
Capitalised finance costs	(6,335)	(5,825)	-	-
Timing differences in respect of financial instruments	2,785	7,481	1,007	5,242
Accelerated donations to charity	4,612	(1,288)	4,612	(1,288)
Defined benefit pension scheme	(1,335)	(2,191)	(1,335)	(2,191)
Other short-term timing differences	55	42	47	38
Deferred tax asset	4,457	715	5,473	2,577

Deferred tax assets and liabilities are offset only where the company 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.

The company has an unrecognised deferred tax asset on capital losses of £3.2 million (2019: £3.2 million).

Pension obligations

Please refer to note 23 for further information regarding pension obligations.

Football Association Limited

Notes to the financial statements Year ended 31 July 2020

14. Debtors

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Trade debtors	9,735	30,339	5,154	3,392
Loans to clubs	42	52	42	52
Amounts owed by Group undertakings	-	-	140,795	129,374
VAT receivable	-	6,172	-	5,229
Other debtors	3,914	2,296	2,873	1,991
Prepayments and accrued income	53,411	46,659	49,994	39,715
Derivative financial instruments	184	-	184	-
	67,286	85,518	199,042	179,753
Amounts falling due after more than one year				
Loans to clubs	127	157	127	157
Amounts owed by Group undertakings	-	-	59,697	243,587
Derivative financial instruments	1,527	672	1,527	672
	1,654	829	61,351	244,416
Total debtors	68,940	86,347	260,393	424,169
Total amounts owed by Group companies				
Gross amounts owed by Group companies			425,310	406,744
Provision for impairment			(224,818)	(33,783)
Net amounts owed by Group companies			200,492	372,961

Since inception The FA has lent operating funds to National Football Centre Limited and Wembley National Stadium Limited. As part of our annual impairment assessment of amounts receivable from National Football Centre Limited and Wembley National Stadium Limited, we determined that the recoverable amount of these loans was less than the carrying amount and therefore a provision for impairment was recognised.

15. Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Obligations under finance lease	555	452	-	-
Trade creditors	27,616	12,358	6,265	1,760
Amounts due to subsidiary	-	-	-	25,005
UK corporation tax payable	5,607	6,096	5,530	6,621
VAT payable*	2,136	-	6,222	-
Social security and other taxes	1,917	2,135	1,582	1,793
Other creditors	2,807	9,511	1,547	905
Accruals	57,916	64,076	50,896	36,865
Deferred grants	7,467	1,429	6,148	105
Deferred income**	135,705	108,801	131,702	74,203
Derivative financial instruments	4,232	7,559	4,232	7,559
Provisions for liabilities***	3,220	-	1,589	-
	249,178	212,417	215,713	154,816

* During the year The FA took advantage of the UK Government VAT deferral scheme by deferring payments totalling £12.6 million.

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Notes to the financial statements Year ended 31 July 2020

15. Creditors: amounts falling due within one year (continued)

** Deferred income predominantly comprises contractual broadcasting and sponsorship income received in advance.

*** Provisions for liabilities relates entirely to on-going negotiations with commercial partners around the impact of COVID-19.

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

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Bank loan	134,361	116,684	134,361	116,684
Obligations under finance leases	47,885	48,441	-	-
Deferred grants	113,467	114,702	-	-
Deferred income	6,577	7,392	-	-
Derivative financial instruments	5,092	24,829	5,092	24,829
	<u>307,382</u>	<u>312,048</u>	<u>139,453</u>	<u>141,513</u>

Bank loan

The FA has entered into borrowing arrangements with Barclays, HSBC and Santander. As at 31 July 2020 the total available on the Revolving Credit Facility ("RCF") was £250.0 million (2019 RCF: £157.1 million). This facility is secured against the value of Wembley Stadium.

The remaining term of the RCF is four years (repayable in October 2024) and interest is payable at a variable rate of LIBOR + 1.9%. This reflects an increase to and extension of the existing facility in the current year.

Borrowing costs of £5.5 million were capitalised in relation to this facility. An amortisation charge in relation to capitalised borrowing fees of £1.3 million has been recognised during the current season.

Obligations under finance leases

At 31 July 2020 the Group had annual commitments under non-cancellable finance leases as set out below:

	2020 £'000	2019 £'000
Finance leases		
Less than one year	3,621	3,550
Between one and two years	3,694	3,621
Between two and five years	11,530	14,925
More than five years	71,803	75,723
	<u>90,648</u>	<u>97,819</u>
Less: Finance charges allocated to future years	<u>(42,208)</u>	<u>(48,926)</u>
	<u>48,440</u>	<u>48,893</u>

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Notes to the financial statements Year ended 31 July 2020

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

Deferred grants

Deferred grants greater than one year comprise the following amounts:

	2020 £'000	2019 £'000
Sport England	77,723	77,977
Department of Culture, Media and Sport ("DCMS")	16,656	17,109
London Development Agency ("LDA")	14,976	15,397
Other	4,112	4,219
	<u>113,467</u>	<u>114,702</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 £1.4 million (2019: £1.3 million).

Deferred grants from Sport England includes grant funding of £77.7 million in relation to Wembley Stadium. £10.4 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 £67.3 million which is not amortised.

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.

Other grants were received from commercial partners to assist with the construction of St Georges Park. These grants are being amortised over the useful life of these assets (between 30 – 50 years).

17. Financial instruments

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

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Financial assets				
Measured at fair value through profit or loss				
Forward foreign currency contracts (see Note 14)	-	11	-	11
Measured at fair value through other comprehensive income				
Forward foreign currency contracts (see Note 14)	1,711	662	1,711	662
Measured at undiscounted amount receivable				
Trade and other debtors (see Note 14)	13,818	39,016	8,196	10,821
Amounts due from Group undertakings (see Note 14)	-	-	200,492	372,961
Equity instruments measured at cost less impairment				
Fixed asset investments in unlisted equity instruments (see Note 12)	-	-	230,001	230,001
	<u>15,529</u>	<u>39,689</u>	<u>440,400</u>	<u>614,456</u>

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Notes to the financial statements Year ended 31 July 2020

17. Financial instruments (continued)

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Financial liabilities				
<i>Measured at fair value through other comprehensive income</i>				
Forward foreign currency contracts (see Notes 15 and 16)	9,324	32,388	9,324	32,388
<i>Debt instruments measured at amortised cost</i>				
Bank loans payable (see Notes 15 and 16)	134,361	116,684	134,361	116,684
Obligations under finance lease (see Notes 15 and 16)	48,440	48,893	-	-
<i>Measured at undiscounted amount payable</i>				
Trade and other creditors (see Note 15)	37,530	30,100	21,146	11,079
Amounts due to Group undertakings (see Note 15)	-	-	-	25,005
	229,655	228,065	164,831	185,156

It is the Group's policy to hedge significant foreign exchange risk. This risk has 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.

Some of these contracts have been designated as hedged items and are therefore measured at fair value through other comprehensive income. The fair value of these contracts at 31 July 2020 is a liability of £7.6 million (2019: liability of £31.7 million). For those contracts which have not been designated as hedged items they are measured at fair value through profit or loss. The fair value of these contracts at 31 July 2020 is an asset of £0.01 million (2019: asset of £0.01 million).

The remaining items disclosed above related to assets and liabilities incurred in the normal course of business.

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

	Group	
	2020 £'000	2019 £'000
Interest expense		
Total interest expense for financial liabilities at amortised cost	5,538	5,511
Total interest expense for financial liabilities at fair value through profit or loss	-	-
Fair value losses and (gains)		
On forward foreign currency contracts measured at fair value through profit or loss	10	400
On interest rate swap measured at fair value through profit or loss	-	(203)

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Notes to the financial statements Year ended 31 July 2020

18. Derivative financial instruments

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

Interest rate swaps are valued at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

Cash flow hedges

Forward foreign currency contracts

The following table details the forward foreign currency contracts outstanding as at the year-end:

Outstanding contracts	Average contractual exchange rate		Notional value		Fair value	
	2020	2019	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Sell US Dollars						
Less than 3 months	1.36	1.33	36,507	38,869	37,858	35,480
3 months to 12 months	1.36	1.35	72,878	76,777	75,647	69,777
Greater than 12 months	1.34	1.35	239,542	308,957	243,030	287,873
Sell Euros						
Less than 3 months	1.10	1.13	7,638	12,556	7,567	12,215
3 months to 12 months	-	1.10	-	2,555	-	2,534
Greater than 12 months	1.11	1.10	11,368	15,280	11,445	14,921

The Group enters into a number of derivative contracts to hedge the foreign exchange exposure arising on certain contracts. For these contracts the Group has adopted hedge accounting.

The hedged cash flows are expected to occur and to affect profit or loss over the next four financial years.

Changes in fair value of £24.6 million net of tax (2019: £30.3 million) were recognised in other comprehensive income. The Group performed an assessment of the economic relationship of the hedges and noted that one hedge relationship became mismatched due to a reduction in the contractual amount due from a commercial partner. The over-hedged portion created by the contractual change was dedesignated for hedge accounting and recycled from the hedge reserve. No other material issues were identified as part of the assessment.

19. Called up share capital and reserves

	2020 £	2019 £
Allotted, called up and fully paid		
1,614 ordinary shares of 5p each	81	81
2 special rights preference shares of £1 each	2	2
	83	83

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 Year ended 31 July 2020

20. Hedge reserve

	Group £'000	Company £'000
Opening	(26,166)	(26,166)
Fair value movements in other comprehensive income	24,581	24,581
Reclassified and reported in profit and loss (net of tax)	(6,657)	(6,657)
Total amount recognised in other comprehensive income	<u>17,924</u>	<u>17,924</u>
Recognised in deferred revenue	3,618	3,618
Closing	<u>(4,624)</u>	<u>(4,624)</u>

The FA has designated certain derivative contracts as hedged items. These contracts were revalued to fair value (based on market rates) as at 31 July 2020. The resulting loss was recognised through other comprehensive income and held within a hedged reserve.

21. Notes to the consolidated cash flow statement

Reconciliation of operating profit to cash generated by operations:

	2020 £'000	2019 £'000
Operating profit	9,846	62,779
Adjustment for:		
Depreciation	31,839	30,424
Amortisation of intangible assets	6	6
Amortisation of deferred capital grants	(1,280)	(1,324)
Loss on disposal of tangible fixed assets	-	301
Operating cash flow before movement in working capital	<u>40,411</u>	<u>92,186</u>
Decrease in stock	23	327
Decrease / (Increase) in debtors	55,919	(19,399)
Increase / (decrease) in creditors	2,573	(53,966)
Corporation tax paid	(8,725)	(8,137)
Contributions paid by the company into the defined benefit pension scheme	(244)	(244)
Cash generated by operations	<u>89,957</u>	<u>10,767</u>

22. Financial commitments

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

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Operating leases which expire:				
- within one year	405	422	393	385
- between two and five years	239	571	239	559
	<u>644</u>	<u>993</u>	<u>632</u>	<u>944</u>

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Notes to the financial statements Year ended 31 July 2020

23. Employee benefits

Defined contribution scheme

The company and Group operate a defined contribution retirement benefit scheme for all qualifying employees employed by Group companies. The total expense charged to the profit or loss account in the year ended 31 July 2020 was £2.8 million (2019: £2.6 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 2018 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.

The last triennial valuation of the scheme was performed at 1 January 2018.

	31 July 2020 % p a	31 July 2019 % p a
Key assumptions used:		
Discount rate	1.40	2.15
Expected long-term rate of return on Scheme assets	1.40	2.15
RPI assumption	3.10	3.40
CPI assumption	2.30	2.40
Future pension increases	3.05	3.30

The underlying mortality assumption in 2020 is based upon the standard table known as S2LPA on a year of birth usage, with CMI_2014 improvement factors and a long-term rate of future improvement of 1.25 % p.a. (2019: 1.25%).

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

	2020 £'000	2019 £'000
Administrative expenses	443	244
Interest on scheme liabilities	2,016	2,208
Interest on scheme assets	(2,293)	(2,646)
GMP Equalisation	-	85
	<u>166</u>	<u>(109)</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	4,112	8,392
Expected less actual scheme expenses	-	(40)
Experience gains / (losses) arising on scheme liabilities	1,375	(268)
Changes in assumptions underlying the present value of scheme liabilities	(11,429)	(11,778)
Related deferred tax	1,167	627
	<u>(4,775)</u>	<u>(3,067)</u>

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Notes to the financial statements Year ended 31 July 2020

23. Employee benefits (Continued)

The amount included in the statement of financial position arising from the company and Group's obligations in respect of its defined benefit scheme is as follows:

	2020 £'000	2019 £'000
Present value of defined benefit obligations	(104,810)	(94,832)
Fair value of scheme assets	111,834	107,720
Surplus in the scheme	<u>7,024</u>	<u>12,888</u>

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

Present value of plan liabilities at start of year	94,832	83,052
Benefits paid	(2,092)	(2,559)
Interest on plan liabilities	2,016	2,208
Actuarial losses	10,054	12,046
Loss on plan changes	-	85
Present value of plan liabilities at end of year	<u>104,810</u>	<u>94,832</u>

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

At start of year	107,720	99,281
Interest income	2,293	2,646
Returns on assets	4,112	8,392
Benefits paid	(2,092)	(2,559)
Contributions paid by the Group	244	244
Administrative expenses	(443)	(284)
At end of year	<u>111,834</u>	<u>107,720</u>

The analysis of the scheme assets at 31 July 2020 was as follows:

	2020 %	2019 %
Equities and Property	37	57
Bonds	30	41
Annuity Policy	31	-
Cash	2	2
Total	<u>100</u>	<u>100</u>

Football Association Limited

Notes to the financial statements Year ended 31 July 2020

23. Employee benefits (Continued)

Movements in the net pension obligation were as follows:

	2020 £'000	2019 £'000
Surplus in Scheme at beginning of year	12,888	16,229
Amounts recognised in profit and loss account	(166)	109
Contributions paid by the company	244	244
Remeasurement of pension obligation recognised in other comprehensive income (gross of tax)	(5,942)	(3,694)
Surplus in Scheme at end of year	<u>7,024</u>	<u>12,888</u>

Funding

Actuarial valuations are carried out every three years on behalf of the Trustees of the plan, by a qualified independent actuary. The actuarial assumptions underlying the actuarial valuation are different to those adopted under FRS 102.

The last such actuarial valuation was as at 1 January 2018. This showed that the plan's assets were sufficient to cover the liabilities on the funding basis. Consequently, the company ceased making deficit reduction contributions into the Scheme after 31 July 2018.

The next fund valuation due is as at 1 January 2021.

24. Subsequent events

During the year The FA secured funding of £175 million through the UK Government CCFF. Subsequent to the year-end, the CCFF has been drawn in full and the RCF has been fully repaid.

25. Related party transactions

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 £3.33 million (2019: £3.85 million) charged to its operating expenses in the year, being a contribution towards the operating costs of PGMOL that are necessary for providing match officials to the Professional Game of £3.33 million.

The total remuneration (including severance pay) for FA key management personnel for the year was £3.9 million (2019: £5.2 million).

The FA has invested £29.0 million during the current season directly into facilities projects of the Football Foundation which includes the contribution 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, is not 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 and the Trusts during the current season.

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Notes to the financial statements Year ended 31 July 2020

26. Restatement

In 2019/20 the FA Group Chart of Accounts (CoA) was redesigned, resulting in changes to the classification of certain profit and loss items. These changes are considered to provide more reliable and relevant information about the effects of certain transactions and in certain cases, align the treatment of similar costs across the Group. There is no impact on Operating profit, Profit for the year or Net assets.

	Original	Adjustments	Restated
	2019	2019	2019
	£'000	£'000	£'000
Turnover	467,227	(1,007)	466,220
Cost of sales	(91,292)	11,311	(79,981)
Gross profit	375,935	10,304	386,239
Investments into the game	(165,611)	(1,231)	(166,842)
Administrative expenses	(147,556)	(9,073)	(156,629)
Gains on foreign exchange and mark to market revaluation	11	-	11
Total operating expenses	(313,156)	(10,304)	(323,460)
Operating profit	62,779	-	62,779
Interest receivable and similar income	667	-	667
Interest payable and similar expenses	(6,438)	-	(6,438)
	(5,771)	-	(5,771)
Profit on ordinary activities before taxation	57,008	-	57,008
Tax on profit	(11,602)	-	(11,602)
Profit for the year	45,406	-	45,406