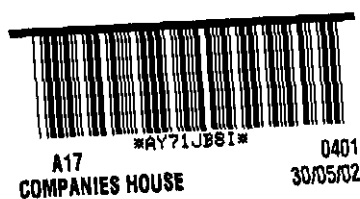


THE FOOTBALL ASSOCIATION LIMITED

Report and Financial Statements

31 December 2001

Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3T



REPORT AND FINANCIAL STATEMENTS 2001

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THE FOOTBALL ASSOCIATION LIMITED**REPORT OF THE DIRECTORS**

The directors present their annual report and the audited financial statements for the year ended 31 December 2001.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company is to promote the game of Association Football.

The principal activities of the group are that of the company together with that of its subsidiary Wembley National Stadium Limited ("WNSL") which is to organise sporting and other entertainment events. During the year another subsidiary, England Football Enterprises Limited commenced the development of the National Football Centre. The results for the year are shown on page 4.

FUTURE DEVELOPMENTS

Whilst the company continues with its activity, the continued intention of WNSL is to commence demolition of the existing Wembley Stadium and commence construction of a new stadium. WNSL's continuing business is to organise sporting and other entertainment events at Wembley Stadium and other sporting venues.

DIRECTORS' RESPONSIBILITIES

United Kingdom Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit or loss of the company and the group for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and of the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for a system of internal controls, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDIT AND REMUNERATION COMMITTEE

In accordance with best practice, The F.A. Board has established independent Audit and Remuneration Committees with specific terms of reference that deal with their authorities and duties.

The Audit Committee comprises Board member R F Burden (chairman) and independent non Board members A Newell and R Gossage. The Remuneration Committee comprises F D Pattison (chairman), D B Dein, R F Burden and R P Ridsdale.

THE FOOTBALL ASSOCIATION LIMITED**REPORT OF THE DIRECTORS****DIRECTORS AND THEIR INTERESTS**

The persons listed below served as directors of the company during the year. Each of the directors held a non-beneficial ownership of one share in the company.

G Thompson JP	Chairman		
A A Crozier	Chief Executive		
K W Bates	The FA Premier League, Chelsea FC		
B W Bright	Kent County FA		
D B Dein	The FA Premier League, Arsenal FC		
P J Heard	The Football League, Colchester United FC		
D J Henson	Devon County FA		
P S Hough	Dorset County FA		
R W Kiddell JP ACII	Norfolk County FA		
F D Pattison	Durham County FA		
D G Richards	The FA Premier League		
R P Ridsdale	The FA Premier League, Leeds United FC		
I H Stott	The Football League, Oldham Athletic FC	Resigned	23 June 2001
A C F Turvey MCIM	The Isthmian League, Hayes FC	Resigned	23 June 2001
R F Burden	Gloucester County FA	Appointed	23 June 2001
E J Bowler	The Football League, Crewe Alexandra FC	Appointed	16 August 2001

CHARITABLE DONATIONS

The group made charitable donations of £14,048,000 (2000: £17,602,000) during the year.

DISABLED EMPLOYEES

Applications for employment of disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to formally reappoint Deloitte & Touche as auditors will be proposed and adopted at the Annual General Meeting of the Company.

Approved by the Board of Directors

And signed on behalf of the Board



N I Coward

Company Secretary

9 April 2002

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FOOTBALL ASSOCIATION LIMITED

We have audited the financial statements of The Football Association Limited for the year ended 31 December 2001 which comprise the consolidated profit and loss account, the balance sheets, the consolidated cash flow statement and the related notes 1 to 23. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company and other members of the group is not disclosed.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the company and the group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Uncertainty relating to financing of Wembley Stadium

In forming our opinion, we have considered the adequacy of the disclosures in note 22 which explains the status of the financing of the new Wembley Stadium. In view of the significance of this uncertainty, we consider that it should be drawn to your attention, but our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 December 2001 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Deloitte & Touche

Chartered Accountants and
Registered Auditors

18 April

2002

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 31 December 2001

	Note	2001 £'000	2000 £'000
Turnover	2	117,661	109,786
Cost of sales		(57,083)	(39,494)
Gross profit		60,578	70,292
Operating expenses	3	(64,089)	(71,295)
Operating loss	7	(3,511)	(1,003)
Profit on the sale of fixed assets		-	4,287
Investment income	6	4,946	3,750
Profit on ordinary activities before taxation		1,435	7,034
Taxation	8	(868)	(1,559)
Profit on ordinary activities after taxation and retained for the financial year	19	567	5,475

All activities relate to continuing operations.

There are no recognised gains or losses other than those included in the profit and loss account.

CONSOLIDATED BALANCE SHEET
31 December 2001

	Note	2001 £'000	2000 £'000
FIXED ASSETS			
Intangible assets	9	250	250
Tangible assets	10	98,431	92,713
Fixed asset investments	12	3,596	3,050
		<u>102,277</u>	<u>96,013</u>
CURRENT ASSETS			
Stocks	13	6,694	170
Debtors	14	8,115	23,667
Cash at bank and in hand		101,212	50,048
		<u>116,021</u>	<u>73,885</u>
CREDITORS: amounts falling due within one year	15	<u>(115,355)</u>	<u>(70,591)</u>
NET CURRENT ASSETS		<u>666</u>	<u>3,294</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		102,943	99,307
PROVISIONS FOR LIABILITIES AND CHARGES	16	(10,435)	(7,000)
DEFERRED GRANTS	17	<u>(78,632)</u>	<u>(78,998)</u>
NET ASSETS		<u>13,876</u>	<u>13,309</u>
CAPITAL AND RESERVES			
Called up share capital	18	-	-
Profit and loss account	19	13,876	13,309
EQUITY SHAREHOLDERS' FUNDS	19	<u>13,876</u>	<u>13,309</u>

These financial statements were approved by the Board of Directors on 9 April 2002.

Signed on behalf of the Board of Directors


G Thompson - Chairman

COMPANY BALANCE SHEET
31 December 2001

	Note	2001 £'000	2000 £'000
FIXED ASSETS			
Tangible assets	10	3,607	4,109
Investment in subsidiaries	11	1	1
Fixed asset investments	12	3,596	3,050
		<u>7,204</u>	<u>7,160</u>
CURRENT ASSETS			
Stocks	13	39	170
Debtors	14	17,160	21,745
Cash at bank and in hand		99,891	44,517
		<u>117,090</u>	<u>66,432</u>
CREDITORS: amounts falling due			
Within one year	15	(110,427)	(63,858)
NET CURRENT ASSETS		<u>6,663</u>	<u>2,574</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		13,867	9,734
PROVISIONS FOR LIABILITIES AND CHARGES	16	(3,601)	-
NET ASSETS		<u>10,266</u>	<u>9,734</u>
CAPITAL AND RESERVES			
Called up share capital	18	-	-
Profit and loss account	19	10,266	9,734
EQUITY SHAREHOLDERS' FUNDS	19	<u>10,266</u>	<u>9,734</u>

These financial statements were approved by the Board of Directors on 9 April 2002.

Signed on behalf of the Board of Directors


G Thompson - Chairman

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 December 2001

	Note	2001 £'000	2000 £'000
Net cash inflow from operating activities	20	55,311	33,861
Returns on investments and servicing of finance			
Interest received		4,500	2,818
Net dividends received		70	62
Net cash inflow from returns on investments and servicing of finance		4,570	2,880
Taxation			
Corporation tax paid		(1,064)	(597)
Capital expenditure and financial investment			
Payments to acquire investment assets		(1,156)	(861)
Payments to acquire tangible fixed assets		(7,966)	(18,428)
New loan advances		(126)	(82)
Receipts from sales of investment assets		1,175	926
Receipts from sales of tangible fixed assets		220	7,995
Loan repayments		106	107
Net cash outflow from investing activities		(7,747)	(10,343)
Acquisitions			
Receipt of Sport England grant in connection with purchase of Wembley Stadium		-	7,459
Net cash inflow from acquisitions		-	7,459
Net cash inflow before use of liquid resources	20	51,070	33,260
Management of liquid resources			
Increase in treasury deposits		(55,604)	(36,694)
Decrease in restricted cash		-	800
Net cash outflow from management of liquid resources		(55,604)	(35,894)
Decrease in cash		(4,534)	(2,634)

NOTES TO THE ACCOUNTS**Year ended 31 December 2001****1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Basis of consolidation

The group accounts consolidate the results of The Football Association Limited and all its subsidiaries. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

No profit and loss account is presented for The Football Association Limited, as provided by Section 230 of the Companies Act 1985.

Investments

Fixed asset investments are shown at cost less provisions for impairment. Provisions are made for permanent reductions in value. Provisions for temporary fluctuations in value are not made. Income is included together with the related tax credit in the accounts for the year in which it is receivable.

Intangible assets

Intangible assets are amortised over their expected useful life in accordance with FRS 10.

Tangible fixed assets

No depreciation is charged on land.

The land at Wembley Stadium is included in the accounts at the WNSL's directors' opinion of the apportioned cost arising from the purchase of land and buildings from Wembley plc.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Stadium assets	-	over period to closure of existing stadium
Leasehold improvements	-	Life of lease
Plant and machinery	-	Between 3 – 6 years
Motor vehicles	-	4 years
Fixtures, fittings, tools and equipment	-	Between 3 – 10 years

Assets in the course of construction relate to costs associated with the construction of the new stadium. They will be depreciated over their estimated useful lives on completion.

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.

Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation and, where appropriate, the cost of conversion from their existing state to a finished condition. Provision is made where necessary for obsolete, slow moving and defective stocks.

NOTES TO THE ACCOUNTS**Year ended 31 December 2001****1. ACCOUNTING POLICIES (continued)****Foreign currency**

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

Turnover

Turnover comprises the value of sales (net of VAT, similar taxes and trade discounts) of goods and services in the normal course of business. Revenue derived from television contracts is recognised as turnover in proportion to the weighted values of the matches covered during the year under such contracts.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation (which arises from differences in the timing of the recognition of items, principally depreciation, in the accounts and by the tax legislation) is calculated on the liability method. Deferred taxation is provided on the timing differences which will probably reverse, at the rates of tax likely to be in force at the time of the reversal. Deferred tax is not provided on timing differences which, in the opinion of the directors, will probably not reverse.

Pension costs

It is the policy of the company to fund pension liabilities, on the advice of external actuaries, by payments to independent trusts or to insurance companies. Payments made to the funds and charged in the accounts comprise the current and past service contributions. Independent actuarial valuations on a going concern basis are carried out every three years. The principal subsidiary company does not operate a pension scheme. Contributions are made to employees in respect of their personal pension arrangements.

Grants and deferred income

Grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account over the expected useful lives of the assets concerned.

Grants made by The Football Association Limited in the normal course of business are reported in the profit and loss account in the year in which they become unconditionally payable.

2. SEGMENTAL INFORMATION

Turnover, operating profit and net assets by class of business were as follows. All activities arose in the United Kingdom.

	Promotion of Association Football		Stadium and event management		Group	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000	2001 £'000	2000 £'000
Turnover	112,246	93,904	5,415	15,882	117,661	109,786
Operating (loss)/profit	(4,239)	(5,443)	728	4,440	(3,511)	(1,003)
Investment income	4,766	2,993	180	757	4,946	3,750
Profit on sales of fixed asset	-	4,287	-	-	-	4,287
Profit before tax	527	1,837	908	5,197	1,435	7,034
Net assets	9,878	9,734	3,998	3,575	13,876	13,309

NOTES TO THE ACCOUNTS

Year ended 31 December 2001

3. OPERATING EXPENSES

	2001 £'000	2000 £'000
Payments to the Football Foundation	10,000	13,000
Payment to The Football League	2,456	2,378
Other operating expenses and grants payable	51,999	77,224
	<u>64,455</u>	<u>92,602</u>
Less : Grants released to profit and loss account	(366)	(21,307)
	<u>64,089</u>	<u>71,295</u>

4. DIRECTORS' EMOLUMENTS

	2001 £'000	2000 £'000
Directors' emoluments	659	460
Directors' benefits in kind	35	33
Directors' pension payments	18	18
	<u>712</u>	<u>511</u>
	No.	No.
The number of directors to whom retirement benefits are accruing in respect of qualifying services in respect of defined benefit schemes	<u>1</u>	<u>1</u>
	£'000	£'000
Details of highest paid director		
Total emoluments and benefits in kind	<u>567</u>	<u>418</u>
The amount of the highest paid director's accrued pension in respect of the company's defined benefit pension scheme is an annual amount on retirement of:	<u>46</u>	<u>44</u>

5. EMPLOYEE INFORMATION

	2001 No.	2000 No.
Details of employees are shown below:		
Average monthly number of persons employed by the group during the year:		
Promotion of Association Football	218	188
Stadium and event management	26	126
	<u>244</u>	<u>314</u>
	£'000	£'000
Their aggregate remuneration comprised:		
Wages and salaries	15,639	13,657
Social security costs	1,492	1,213
Other pension costs	1,871	1,206
	<u>19,002</u>	<u>16,076</u>

NOTES TO THE ACCOUNTS**Year ended 31 December 2001****5. EMPLOYEE INFORMATION (continued)****Pension commitments**

The group provides pension arrangements to the majority of full time employees through a defined benefit scheme and the related costs are assessed in accordance with the advice of professionally qualified actuaries.

The most recent full actuarial valuation of the scheme was conducted on 1 January 2000. This valuation was updated to 31 December 2001. The pensions cost for the year of the company's defined benefit scheme was £1,714,689 (2000: £964,479). In addition the group contributed £28,247 (2000: £42,000) to personal pension plans of other employees.

The group current accounts for pensions under SSAP 24. Under the transitional arrangements for FRS17, the group is required to provide additional disclosures relating to its pension scheme. These are provided below.

SSAP 24

A valuation was carried out by a qualified independent actuary at 1 January 2000 using the Attained Age method. Following the valuation it was agreed that the employer would pay contributions at the rate of 19.5% of pensionable salaries.

FRS 17

The figures below have been based on full actuarial valuation as at 1 January 2000, updated to the current year-end.

The liabilities of the scheme at 31 December 2001 were calculated on the following bases as required under FRS17:

Assumptions at 31 December 2001

	% p a
Discount rate	6.00
Expected return on equity	7.00
Expected return on bonds	5.50
Expected return on cash	4.00
Rate of increase in pensionable salaries	4.25
Rate of increase of pensions in payment	3.75
Inflation assumption	2.75

The balance sheet position for the group's scheme as calculated under FRS 17 at 31 December 2001 was as follows:

	Value at 31 December 2001 £'000
Fair value of assets	18,520
Broken down as :	
- Equity investments	12,817
- Bond investments	3,929
- Cash	1,774
Present value of scheme liabilities	(18,453)
Surplus in the scheme	<u>67</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 2001

6. INVESTMENT INCOME

	2001 £'000	2000 £'000
Income from fixed asset investments listed in the UK	70	68
Interest receivable	4,311	3,352
Profit on sale of fixed asset investments	565	330
	<u>4,946</u>	<u>3,750</u>

7. OPERATING LOSS

The operating loss is after charging/(crediting):

	2001 £'000	2000 £'000
Depreciation – owned assets	1,864	20,848
Loss on sale of fixed assets	164	1,782
Auditors' remuneration – audit services	78	71
– non audit services	548	766
Hire of plant and machinery under operating leases	88	107
Other operating lease rentals	2,567	1,654
Grant income	(366)	(21,307)
World Cup 2006 bid costs (net of contributions from The FA Premier League and Sport England)	-	881
	<u>-</u>	<u>881</u>

8. TAXATION

	2001 £'000	2000 £'000
UK corporation tax (30% : 2000 30%)	1,129	1,311
Deferred taxation	(166)	(81)
Adjustment in respect of prior year	(95)	329
Tax attributable to Franked Investment Income	-	-
	<u>868</u>	<u>1,559</u>

The tax charge is disproportionately high due to expenditure having been incurred which is not tax deductible.

9. INTANGIBLE FIXED ASSETS

	Intellectual property £
Cost and net book value	
At 1 January 2001 and 31 December 2001	<u>250,000</u>

Intangible assets represent the cost attributed to intellectual property on the acquisition of Wembley Stadium. In accordance with Financial Reporting Standard 10, intangibles are not subject to an annual amortisation charge on the grounds of their expected durability.

NOTES TO THE ACCOUNTS
Year ended 31 December 2001

10. TANGIBLE FIXED ASSETS

Group	Land and buildings	Leasehold improvements	Plant and machinery	Motor vehicles	Fixtures, fittings and equipment	Assets in the course of construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost:							
At 1 January 2001	102,224	2,509	1,740	140	2,844	20,713	130,170
Additions	-	12	-	-	984	6,970	7,966
Disposals	-	-	(1,240)	(105)	(149)	(200)	(1,694)
At 31 December 2001	102,224	2,521	500	35	3,679	27,483	136,442
Accumulated depreciation:							
At 1 January 2001	35,224	79	1,147	56	951	-	37,457
Charge for the year	-	504	332	9	1,019	-	1,864
Disposals	-	-	(1,178)	(46)	(86)	-	(1,310)
At 31 December 2001	35,224	583	301	19	1,884	-	38,011
Net book value							
At 31 December 2001	67,000	1,938	199	16	1,795	27,483	98,431
At 31 December 2000	67,000	2,430	593	84	1,893	20,713	92,713

Group

Included within land and buildings is freehold land which has been valued by the directors of WNSL on the acquisition of Wembley Stadium at £64.5 million. This valuation was determined taking account of the special purpose and nature of the land at Wembley Stadium.

Also included in land and buildings are leasehold property costs. These comprise of a long leasehold interest cost of £2.5 million which has not been depreciated, and a short leasehold interest of £3 million which has been fully depreciated.

Company

	Leasehold improvements	Fixtures, fittings and equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000
Cost:				
At 1 January 2001	2,509	2,447	27	4,983
Additions	12	976	-	988
Disposals	-	(146)	-	(146)
At 31 December 2001	2,521	3,277	27	5,825
Accumulated depreciation:				
At 1 January 2001	79	788	7	874
Charge for the year	504	918	7	1,429
Disposals	-	(85)	-	(85)
At 31 December 2001	583	1,621	14	2,218
Net book value				
At 31 December 2001	1,938	1,656	13	3,607
At 31 December 2000	2,430	1,659	20	4,109

NOTES TO THE ACCOUNTS

Year ended 31 December 2001

11. INVESTMENTS – SHARES IN GROUP COMPANIES

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

Name	Activity
The English National Stadium Property Company Limited	Property development company
Wembley National Stadium Limited	Event management
England Football Enterprises Limited	Property development company

The Football Association's wholly owned subsidiary England Football Enterprises Limited is undertaking the development of the National Football Centre. The costs relating to this are disclosed in note 13 under the heading of "Properties under development".

12. FIXED ASSET INVESTMENTS

Listed investments

	Group and Company	
	2001	2000
	£'000	£'000
(a) Government stocks, at cost		
£300,000 2.5% Treasury index Linked Stock 2003	-	317
£570,000 6.75% Treasury Loan 2004	612	612
£275,000 2% Treasury Loan 2006	664	-
	<u>1,276</u>	<u>929</u>
(b) Equity investments, at cost	2,320	2,121
	<u>3,596</u>	<u>3,050</u>

The market value of these investments at 31 December 2001 was £4,806,715 (2000: £5,930,930).

13. STOCK

	Group		Company	
	2001	2000	2001	2000
	£'000	£'000	£'000	£'000
Properties under development	6,655	-	-	-
Finished goods	39	170	39	170
	<u>6,694</u>	<u>170</u>	<u>39</u>	<u>170</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 2001

14. DEBTORS

	Group		Company	
	2001	2000	2001	2000
	£'000	£'000	£'000	£'000
Amount falling due after one year				
Loans to clubs	392	431	392	431
Sundry loans	32	42	32	42
	<u>424</u>	<u>473</u>	<u>424</u>	<u>473</u>
Amount falling due within one year				
Trade debtors	2,365	14,497	2,290	13,632
VAT receivable	522	865		-
UK corporation tax receivable	-	111		110
Other debtors	622	414	152	361
Prepayments and accrued income	4,182	7,307	4,118	7,169
Loans to subsidiary undertakings	-	-	10,176	-
	<u>7,691</u>	<u>23,194</u>	<u>16,736</u>	<u>21,272</u>
Total debtors	<u>8,115</u>	<u>23,667</u>	<u>17,160</u>	<u>21,745</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2001	2000	2001	2000
	£'000	£'000	£'000	£'000
Bank overdraft	1,115	1,021	1,115	1,021
Trade creditors	8,436	7,017	5,848	5,647
Amount due to subsidiary undertakings	-	-	-	906
Other creditors				
- UK corporation tax payable	955	1,111	644	110
- Social security and other taxes	2,829	2,392	2,792	2,231
- Other	3,801	6,395	1,809	1,288
Accruals and deferred income	98,219	52,655	98,219	52,655
	<u>115,355</u>	<u>70,591</u>	<u>110,427</u>	<u>63,858</u>

NOTES TO THE ACCOUNTS

Year ended 31 December 2001

16. PROVISIONS FOR LIABILITIES AND CHARGES

	Group		Company	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
This comprises fully provided deferred taxation attributable to:				
Other timing differences	(166)	-	-	-
	<u>(166)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Movement on deferred taxation:				
At beginning of year	-	81	-	81
(Credited)/charged to profit and loss in respect of:				
- capital allowances	-	(64)	-	(64)
- other timing	(166)	(17)	-	(17)
	<u>(166)</u>	<u>-</u>	<u>-</u>	<u>-</u>
At end of year	(166)	-	-	-
Provisions - closure of Wembley Stadium	7,000	7,000	-	-
- other provisions	3,601	-	-	-
	<u>10,435</u>	<u>7,000</u>	<u>-</u>	<u>-</u>

Closure of Wembley provisions represent expected costs arising from the closure of the existing stadium in respect of redundancy and the settling of obligations in respect of current contracts with suppliers.

Other provisions represent provisions arising in the normal course of business of the FA.

The amount of unprovided deferred tax in the financial statements:

	Group		Company	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
This comprises fully provided deferred taxation attributable to:				
Excess of tax allowances over book depreciation of fixed assets	(88)	(374)	(29)	(338)
Other timing differences	263	959	262	959
	<u>175</u>	<u>585</u>	<u>233</u>	<u>621</u>
Unprovided deferred tax liability	175	585	233	621

NOTES TO THE ACCOUNTS**Year ended 31 December 2001****17. DEFERRED GRANTS**

Deferred grants relates to grants received from Sport England under the terms of Agreements dated 11 November 1997 and 15 May 1998.

Movement on deferred grants is detailed below:

	Group	
	2001	2000
	£'000	£'000
At beginning of year	78,998	92,846
Grants awarded in the year	-	7,459
Grants released to profit and loss account	(366)	(21,307)
At end of year	<u>78,632</u>	<u>78,998</u>

18. CALLED UP SHARE CAPITAL

The company has an authorised share capital of £101 (2000 : £101) represented by 2,000 (2000 : 2000) ordinary equity shares of 5p each and one Special Rights Preference share of £1 (2000 : £1).

At 31 December 2001, 1,614 ordinary shares (2000: 1,614) had been issued, nil paid.

19. MOVEMENTS ON RESERVES

	Profit and loss account £'000	Equity shareholders' funds £'000
Group		
At 1 January 2001	13,309	13,309
Retained profit for the year	<u>567</u>	<u>567</u>
At 31 December 2001	<u>13,876</u>	<u>13,876</u>
Company		
At 1 January 2001	9,734	9,734
Retained profit for the year	<u>532</u>	<u>532</u>
At 31 December 2001	<u>10,266</u>	<u>10,266</u>

No profit and loss account is presented for the company as provided by S230 of the Companies Act 1985.

NOTES TO THE ACCOUNTS
Year ended 31 December 2001

20. NOTES TO THE CASH FLOW STATEMENT

Reconciliation of operating loss to net cash inflow from operating activities

	2001 £'000	2000 £'000
Operating loss	(3,511)	(1,003)
Depreciation charges	1,864	20,848
(Increase)/decrease in stocks	(6,524)	61
Decrease/(increase) in debtors	16,160	(7,900)
Increase in creditors	43,923	41,928
Increase/ (decrease) in other provisions	3,601	(548)
Release of grant income	(366)	(21,307)
Loss on disposal of tangible fixed assets	164	1,782
Net cash inflow from operating activities	<u>55,311</u>	<u>33,861</u>

Analysis of net funds

	At 1 January 2001 £'000	Cash flow £'000	At 31 December 2001 £'000
Cash at bank and in hand	6,928	(4,440)	2,488
Bank overdrafts	(1,021)	(94)	(1,115)
Short term investments – treasury deposits	42,720	55,604	98,324
Restricted cash	400	-	400
NET FUNDS	<u>49,027</u>	<u>51,070</u>	<u>100,097</u>

Reconciliation of net cash flow to movement in net funds

	2001 £'000	2000 £'000
Decrease in cash in the year	(4,534)	(2,634)
Cash outflow from increase in liquid resources	55,604	35,894
Net funds brought forward	49,027	15,767
Net funds carried forward	<u>100,097</u>	<u>49,027</u>

21. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

(a) Capital commitments

At the end of the year the group and company had no capital commitments (2000: £nil).

(b) Lease commitments

The group has entered into non-cancellable operating leases in respect of plant and machinery. In addition the group leases certain land and buildings on operating leases. The rents payable under these leases are subject to renegotiation at various intervals specified in the leases.

NOTES TO THE ACCOUNTS
Year ended 31 December 2001

21. GUARANTEES AND OTHER FINANCIAL COMMITMENTS (continued)

The minimum annual rentals under the foregoing leases are as follows:

	Group			
	2001		2000	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Operating leases which expire:				
- within one year	34	152	23	91
- between two and five years	-	103	-	438
- after five years	2,150	-	2,150	-
	<u>2,184</u>	<u>255</u>	<u>2,173</u>	<u>529</u>
	Company			
	2001		2000	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Operating leases which expire:				
- within one year	34	152	23	-
- between two and five years	-	85	-	401
- after five years	2,150	-	2,150	-
	<u>2,184</u>	<u>237</u>	<u>2,173</u>	<u>401</u>

22. WEMBLEY STADIUM

Plans for the redevelopment of Wembley Stadium are ongoing. The initial round of fund raising in November/December 2000 was not successful. Since then The Football Association Limited and Wembley National Stadium Limited (WNSL) have been working closely with the Government, Sport England, The London Development Agency and Brent Council to create a revised business plan and funding proposition.

The Football Association Limited, as the parent company of WNSL, has pledged its support to the project. The directors of both companies are confident that the required finance should be raised to complete the project with the new support from the aforementioned organisations.

These financial statements have been prepared on the basis that appropriate finance for the development of the new Wembley Stadium will be found. However, if the required level of support and finance is not raised, then amounts carried as assets in the course of construction in note 10 will need to be written off. A proportion of the original grant of £120 million paid to WNSL by Sport England may become repayable in the event that Sport England exercises such rights under the Lottery Funding Agreement ("The Agreement") dated 12 January 1999. In the event that Sport England exercises such rights, the directors of WNSL will have to find finance to refund that proportion of the grant.

The retention of the Sport England Grant is contingent upon a number of specific milestones being achieved. The Agreement set out a timetable for meeting these milestones. A number of these milestones have still to be met. Sport England has been kept fully informed of all developments and the grant remains in place. In the opinion of the directors, after taking advice from the directors of WNSL, WNSL have met and will continue to meet the obligations under the Agreement. On this basis, the directors do not believe the grant will be required to be repaid.

NOTES TO THE ACCOUNTS
Year ended 31 December 2001

23. RELATED PARTY TRANSACTIONS

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

There are no transactions requiring disclosure under the requirements of FRS8 Related Party Disclosures.