

THE FOOTBALL LEAGUE LIMITED

**Directors' Report and Consolidated Financial
Statements**

For the year ended 30 June 2011

TUESDAY



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REPORT AND FINANCIAL STATEMENTS 2011

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REPORT AND FINANCIAL STATEMENTS 2011

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G A Clarke
T A Glick
S A Harvey
A Kleanthous
K Lamb
J L Nixon
L Rogers
I R Ritchie

SECRETARY

T S Detko

REGISTERED OFFICE

Edward VII Quay
Navigation Way
Preston
PR2 2YF

BANKER

Barclays Bank PLC
PO Box 378
71 Grey Street
Newcastle upon Tyne
NE99 1JP

AUDITOR

KPMG LLP
Chartered Accountants and Registered Auditor
Edward VII Quay
Navigation Way
Preston
PR2 2YF

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2011

PRINCIPAL ACTIVITIES

The principal activities of the company are to be a governing body for Member Clubs, organise League football competitions and to represent and promote League Football and its Clubs

Other activities performed by subsidiaries within the Group include the exploitation of certain internet, mobile and other commercial rights granted by The Football League Limited and by a number of football clubs that compete in the Football League, FA Premier League and the Football Conference to FL Interactive Limited, as well as the provision of support for Football League clubs in the areas of education and training of their footballers through The Football League Trust Limited

BUSINESS REVIEW

Football clubs have not been immune to the weak economic conditions that have been, and continue to be, experienced both here in the UK and beyond. As a result, attendances at league matches during 2010/11 fell by 6% compared to the previous season. They nonetheless broke the sixteen million mark for the seventh consecutive year. The League's two showpiece cup competitions also saw reduced crowd numbers with Carling Cup attendances falling from 1.4 million to 1.2 million and Johnstone's Paint Trophy attendances being down from 309,000 to 207,000.

The 2010/11 season was the first year of The League's new three-year title sponsorship agreement with npower, with Coca-Cola, The League's previous title sponsor becoming an official partner for three seasons commencing in 2010/11.

On the broadcasting front, 2010/11 was the second season of The League's current three-year deals with domestic broadcast partners Sky Sports and BBC Sport and also the second season of The League's deals with individual broadcasters in overseas territories.

FINANCIAL REVIEW

Profit and Loss Account

Group turnover for the year at £138.0m was £2.4m higher than in 2010 representing a 1.8% year on year increase.

Overall the group's total costs including payments made to member clubs increased by £2.3m to £138.3m in 2011. Distributions payable by The Football League and The Football League Trust to its member clubs have remained similar to last year's level at £113.3m.

Balance Sheet

Net liabilities at 30 June 2011 amounted to £528k compared to £331k at 30 June 2010. The increase in liabilities is due to the retained profit of £195k offset by an actuarial loss of £392k arising on the company's defined benefit pension scheme. This actuarial loss has arisen as a result of changes in the actuarial assumptions and actual experience differing from the previously made actuarial assumptions. Further information in relation to the company's defined benefit pension scheme can be found in note 16 of these financial statements.

Cash Flow

The group generated a cash inflow in the year of £16.0m (2010: £4.9m). After net interest earnings of £0.4m and capital expenditure of £0.1m the group's cash balances increased by £16.3m to £40.5m at 30 June 2011.

Financial Risk

The Group manages its financial risk through the use of financial instruments. The principal risk managed is foreign exchange risk on the overseas television broadcasting rights. See note 25 to the financial statements for detail on the management of these risks.

DIVIDENDS

The directors do not recommend the payment of a dividend.

DIRECTORS' REPORT

DIRECTORS AND THEIR INTERESTS

The current directors of the company are listed on page 1. The directors who served during the year are listed below.

G A Clarke
T A Glick
S A Harvey (appointed 24 June 2011)
A Kleanthous
K Lamb

J L Nixon (appointed 24 June 2011)
P D Powell (resigned 24 June 2011)
I R Ritchie
L Rogers
D R Sheepshanks (resigned 24 June 2011)

CHARITABLE DONATIONS

During the year the company made charitable donations amounting to £1,500 (2010 £63,500). In 2010 £60,000 was generated from the proceeds of the Carling Cup Final and would ordinarily have been distributed in accordance with the rules of that competition. There were no political contributions.

DISCLOSURE OF INFORMATION TO AUDITOR

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

In accordance with Section 485 of the Companies Act 2006 a resolution to reappoint KPMG LLP as the Company's auditor will be proposed at the forthcoming Extraordinary General Meeting.

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



T S Detko
Secretary

8 December 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' ANNUAL REPORT AND FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 group and company and of the profit or loss of the group and 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 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 group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and company and to prevent and detect fraud and other irregularities.

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

We have audited the financial statements of the Football League Limited for the year ended 30 June 2011 set out on pages 6 to 25. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2011 and of the group's profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

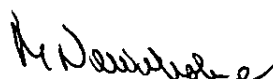
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



M Newsholme (Senior Statutory Auditor), for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Edward VII Quay, Navigation Way, Preston, PR2 2YF
8 December 2011

CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the year ended 30 June 2011

	Note	2011 £	2010 £
Group and joint venture's turnover		142,268,449	138,740,191
Less share of joint venture's turnover		(4,276,751)	(3,162,395)
Group turnover	3	137,991,698	135,577,796
Other operating income		144,995	278,165
External charges		(116,717,802)	(116,100,872)
Staff costs	4	(3,705,277)	(3,316,443)
Other operating charges		(17,844,951)	(16,541,925)
Group operating loss	6	(131,337)	(103,279)
Share of net operating profit/(loss) in joint venture and associate		15,161	(7,972)
Total operating loss		(116,176)	(111,251)
Net interest receivable and similar income			
- Group	7	431,191	230,041
- Joint venture and associate		6,598	4,790
Other finance expenses	8	(34,000)	(46,000)
Profit on ordinary activities before taxation		287,613	77,580
Tax on profit on ordinary activities	9	(92,945)	(5,643)
Profit for the financial year	19	194,668	71,937

All the above results derive from continuing operations

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 30 June 2011

	2011 £	2010 £
Profit for the financial year	194,668	71,937
Actuarial loss relating to the company pension scheme	(490,000)	(422,000)
Deferred tax thereon	98,000	88,620
Total recognised gains and losses relating to the year	<u>(197,332)</u>	<u>(261,443)</u>

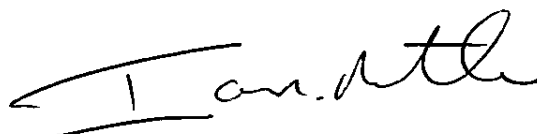
CONSOLIDATED BALANCE SHEET
As at 30 June 2011

	Note	2011 £	2011 £	2010 £	2010 £
Fixed assets					
Intangible assets	10		(210,847)		(245,989)
Tangible assets	11		173,309		157,800
Joint venture undertaking					
Share of gross assets	12	1,725,984		3,578,370	
Share of gross liabilities	12	(1,717,610)		(3,570,710)	
			8,374		7,660
Investments in associated undertaking	12		70,302		49,257
			41,138		(31,272)
Current assets					
Debtors	13	14,607,977		16,253,654	
Cash at bank and in hand		40,456,277		24,110,696	
		55,064,254		40,364,350	
Creditors: amounts falling due within one year	14	(36,633,276)		(33,706,550)	
Net current assets			18,430,978		6,657,800
Total assets less current liabilities			18,472,116		6,626,528
Creditors: amounts falling due after more than one year	15		(16,964,462)		(5,391,762)
Net assets excluding pension liability			1,507,654		1,234,766
Pension liability	16		(2,036,000)		(1,565,780)
Net liabilities			(528,346)		(331,014)
Capital and reserves					
Called up share capital	18		-		-
Profit and loss account	19		(528,346)		(331,014)
Equity shareholders' deficit	20		(528,346)		(331,014)

These financial statements were approved by the Board of Directors on 8 December 2011

Signed on behalf of the Board of Directors

I R Ritchie
Director



Company Number 80612

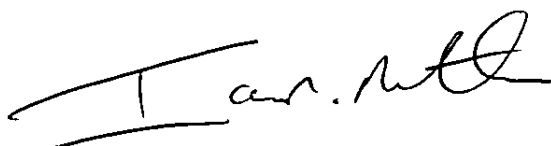
COMPANY BALANCE SHEET
As at 30 June 2011

	Note	2011 £	2011 £	2010 £	2010 £
Fixed assets					
Tangible assets	11		171,102		154,623
Investments	12		650		650
			<u>171,752</u>		<u>155,273</u>
Current assets					
Debtors	13	11,328,606		14,250,702	
Cash at bank and in hand		<u>35,988,257</u>		<u>19,556,836</u>	
		47,316,863		33,807,538	
Creditors amounts falling due within one year	14	<u>(30,062,500)</u>		<u>(28,187,787)</u>	
Net current assets			<u>17,254,363</u>		<u>5,619,751</u>
Total assets less current liabilities			<u>17,426,115</u>		<u>5,775,024</u>
Creditors amounts falling due after more than one year	15		<u>(16,964,462)</u>		<u>(5,391,762)</u>
Net assets excluding pension liability			461,653		383,262
Pension liability	16		<u>(2,036,000)</u>		<u>(1,565,780)</u>
Net liabilities			<u><u>(1,574,347)</u></u>		<u><u>(1,182,518)</u></u>
Capital and reserves					
Called up share capital	18		-		-
Profit and loss account	19		<u>(1,574,347)</u>		<u>(1,182,518)</u>
Equity shareholders' deficit			<u><u>(1,574,347)</u></u>		<u><u>(1,182,518)</u></u>

These financial statements were approved by the Board of Directors on 8 December 2011

Signed on behalf of the Board of Directors

I R Ritchie
Director



Company Number 80612

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 30 June 2011

	Note	2011 £	2010 £
Net cash inflow from operating activities	21	16,039,505	4,882,489
Returns on investments and servicing of finance	22	402,014	222,336
Taxation		(1,295)	(11,296)
Capital expenditure and financial investment	22	(94,643)	(90,259)
Cash inflow before use of liquid resources and financing		16,345,581	5,003,270
Financing		-	-
Increase in cash in the year		16,345,581	5,003,270

Reconciliation of net cash flow to movement in net funds	2011 £	2010 £
Increase in cash in the year	16,345,581	5,003,270
Cash at bank and in hand		
At 1 July 2010	24,110,696	19,107,426
At 30 June 2011	40,456,277	24,110,696

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, under the historical cost convention within the requirements of the Companies Act 2006. The particular accounting policies adopted are described below and have been applied consistently in the current period.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 30 June each year. The results of subsidiaries acquired or disposed of are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

The group has net liabilities of £528,346 as at 30 June 2011. The financial statements have been prepared on a going concern basis which the directors believe to be appropriate given the group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 2.

As a consequence, the directors believe that the group is well placed to manage its business risks successfully despite the current economic climate. The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Where audited financial statements are not coterminous with those of the group, the financial information of subsidiary and joint venture undertakings has been derived from unaudited management accounts for the period up to the company's balance sheet date.

Intangible assets – goodwill

Negative goodwill arising on the acquisition in 2004 of FL Interactive Limited, a 100% subsidiary undertaking, representing the excess of the fair value of the identifiable assets and liabilities acquired over the fair value of the consideration given is capitalised and then credited to the profit and loss account on a straight line basis in the periods expected to benefit, assessed by the directors as 13 years.

Depreciation and tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation on tangible fixed assets is calculated on a straight line basis and aims to write down their cost to their estimated residual value over their expected useful lives as follows:

Improvements to short leasehold premises	10 years
Equipment	4 to 5 years
Motor vehicles	4 years

Associated and joint venture undertakings

Undertakings, other than subsidiary undertakings, in which the group has a long term participating interest and over which it exerts significant influence, are associated undertakings.

Those undertakings in which the group has a long term interest and which the group jointly controls with one or more other party are defined as joint venture undertakings.

The group's share of the profits less losses of the associated company and joint venture undertaking is included in the consolidated profit and loss account and consolidated statement of total recognised gains and losses.

Joint venture undertakings in the group balance sheet are accounted for using the gross equity method of consolidation. Associated undertakings are included at the group's share of net assets, after adjustment for goodwill.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

1. ACCOUNTING POLICIES (continued)

Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand. Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market. Liquid resources comprise term deposits of less than one year (other than cash), government securities and investments in money market managed funds.

Taxation

The taxation charge for the year is detailed in note 9.

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of income and expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised, without discounting, to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding contract to dispose of these assets.

Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes and includes sponsorship revenues and revenues received from television broadcasting contracts but excludes gate levy income received from clubs which is offset against external charges.

Barter transactions

Turnover and costs in respect of barter transactions for goods and services are recognised only where there is persuasive evidence of the value at which, if it had not been exchanged, the goods and services would have been sold for cash in a similar transaction.

Pension obligation

The group operates both a defined contribution scheme and a defined benefit scheme. The defined benefit scheme was closed to new members from 1 March 2010.

Retirement benefits to eligible employees of the defined benefit scheme are funded by contributions from the company and its employees. The amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

The assets of the defined benefit scheme are held separately from those of the group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

The defined contribution scheme is a group personal pension plan under which the group pays fixed contributions. The group has no further payment obligations once the contributions have been paid. The contributions are included as part of staff costs.

Leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

2. CONSOLIDATED FINANCIAL STATEMENTS

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit (see note 19) for the financial year amounted to £171 (2010 £5,700)

3. TURNOVER

Turnover arises from the activities of organising and promoting annual League Football competitions. An analysis of turnover is given below.

The amount of barter transactions for goods and other services recognised in turnover is £664,495 (2010 £696,157)

Analysis of turnover by geographical market

All turnover arises in the United Kingdom, with the exception of £7,697,163 (2010 £7,680,566) which arises from the sale of television rights to worldwide broadcasters for worldwide transmission.

4. STAFF COSTS

	2011 £	2010 £
Staff costs during the year (including directors)		
Wages and salaries	2,862,167	2,719,532
Social security costs	291,580	298,598
Other pension costs (note 16)	551,530	298,313
	<u>3,705,277</u>	<u>3,316,443</u>

The average monthly number of employees was 65 (2010 62)

5. DIRECTOR'S REMUNERATION

	2011 £	2010 £
The total amounts for directors' remuneration and other benefits were as follows		
Salaries and fees	<u>184,993</u>	<u>173,074</u>

The number of directors for whom retirement benefits are accruing is nil (2010 nil)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

6. OPERATING LOSS

	2011 £	2010 £
Operating loss is stated after charging/(crediting)		
Auditors' remuneration		
Audit fees - Group	36,834	35,349
Audit fees - Company	27,871	26,748
Corporation tax compliance	6,000	5,000
Other services	3,650	5,536
Depreciation of tangible fixed assets	79,134	40,077
Operating leases		
Equipment	33,984	38,381
Other assets	187,282	184,782
Amortisation of negative goodwill	(35,142)	(35,142)

7. NET INTEREST RECEIVABLE AND SIMILAR INCOME

	2011 £	2010 £
Interest receivable	432,837	229,773
Interest payable on ground improvement levies held	(1,646)	268
	<u>431,191</u>	<u>230,041</u>

8. OTHER FINANCE EXPENSES

	2010 £	2010 £
Expected return on pension scheme assets	294,000	264,000
Interest on pension scheme liabilities	(328,000)	(310,000)
	<u>(34,000)</u>	<u>(46,000)</u>

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2011 £	2010 £
<i>Current tax</i>		
UK corporation tax	166,759	5,643
Adjustments in respect of prior year	(6,734)	-
Total current tax	<u>160,025</u>	<u>5,643</u>
<i>Deferred tax</i>		
Current year	<u>(67,080)</u>	<u>-</u>
	<u>92,945</u>	<u>5,643</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

9. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

The corporation tax charge for the current period is different than that resulting from applying the standard rate of corporation tax in the UK. The differences are explained below.

	2011 £	2010 £
Profit on ordinary activities before tax	287,613	77,580
Tax on profit on ordinary activities at 27.5% (2010: 21%)	79,094	16,292
Effects of:		
Expenses not deductible for tax purposes	6,361	5,109
Difference between depreciation and capital allowances	(12,236)	(13,338)
Adjustment in respect of pension contributions	67,403	(1,680)
Adjustment in respect of prior year	(6,734)	-
Other	26,137	(740)
	<u>160,025</u>	<u>5,643</u>

10. INTANGIBLE FIXED ASSETS

The Group

	Internet and media rights £	Goodwill £	Total £
Cost			
At 1 July 2010 and 30 June 2011	1	(456,842)	(456,841)
Amortisation			
At 1 July 2010	-	210,852	210,852
Negative goodwill written back		35,142	35,142
At 30 June 2011	-	245,994	245,994
Net book value			
At 30 June 2011	1	(210,848)	(210,847)
At 30 June 2010	1	(245,990)	(245,989)

Negative goodwill arising on the acquisition of FL Interactive Limited in 2004 was in excess of the fair value of the monetary assets acquired. An amount equal to the fair value of the non-monetary assets acquired is being released to the profit and loss account commensurately with the recovery of the non-monetary assets acquired, whether through depreciation or sale.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

11. TANGIBLE FIXED ASSETS

The Group	Improvements to short leasehold premises £	Equipment £	Total £
Cost			
At 1 July 2010	115,276	778,777	894,053
Additions	-	94,643	94,643
At 30 June 2011	115,276	873,420	988,696
Depreciation			
At 1 July 2010	104,112	632,141	736,253
Charge for the year	9,325	69,809	79,134
At 30 June 2011	113,437	701,950	815,387
Net book value			
At 30 June 2011	1,839	171,470	173,309
At 30 June 2010	11,164	146,636	157,800

The Company	Improvements to short leasehold premises £	Equipment £	Total £
Cost			
At 1 July 2010	115,276	774,898	890,174
Additions	-	94,643	94,643
At 30 June 2011	115,276	869,541	984,817
Depreciation			
At 1 July 2010	104,112	631,439	735,551
Charge for the year	9,325	68,839	78,164
At 30 June 2011	113,437	700,278	813,715
Net book value			
At 30 June 2011	1,839	169,263	171,102
At 30 June 2010	11,164	143,459	154,623

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

12. FIXED ASSET INVESTMENTS

The Group	Joint venture undertaking £	Associate undertaking £	Total £
Cost and net book value			
At 1 July 2010	7,660	49,257	56,917
Share of profit	714	21,045	21,759
	<hr/>	<hr/>	<hr/>
At 30 June 2011	8,374	70,302	78,676
	<hr/>	<hr/>	<hr/>
The Company			Shares in subsidiaries £
Cost and net book value			
At 1 July 2010 and 30 June 2011			650
			<hr/>

The company wholly owns the following subsidiary undertakings, each of which is registered in England and Wales and incorporated in Great Britain. These companies are included within the consolidated figures presented as part of these financial statements.

Subsidiary undertakings	Activity	Proportion of ordinary shares
FL Interactive Limited	Provision of internet websites	100%
The Football League Trust Limited	Funding body	100%
World-Wide Soccer Limited	Dormant	100%

The Football League (Community) Limited is a wholly owned charitable subsidiary of The Football League Trust Limited and is registered in England and Wales and incorporated in Great Britain. Its main activities are to promote the participation of the general public in football by supporting community based facilities and activities hosted by football clubs. It has been excluded from consolidation on the grounds that The Football League (Community) Limited and The Football League Limited do not meet the criteria for a parent and subsidiary undertaking relationship to exist, in accordance with FRS 2 Accounting for Subsidiary Undertakings. The total income of Football League (Community) Limited for the year ended 30 June 2011 was £5,657,141 (2010 £7,428,820) with distributions and expenditure totalling £5,669,646 (2010 £9,637,931). Unrestricted funds as at 30 June 2011 amounted to £94,274 (2010 £106,779). £80,511 (2010 £55,505) was payable by The Football League (Community) Limited to The Football League Limited at the year end.

FLT Community Trading Limited was incorporated on 10 June 2010 and is a wholly owned trading subsidiary of The Football League (Community) Limited and is registered in England and Wales and incorporated in Great Britain. FLT Community Trading Limited received funds from a commercial partner which were distributed to the community schemes on the partner's behalf, throughout the year, with any surplus gifted to The Football League (Community) Limited. Consolidated accounts, at a Football League (Community) Limited level, are not prepared as the Group falls below the de minimis limits as given in the Companies Act 2006. The total turnover of FLT Community Trading Limited for the year ended 30 June 2011 was £720,000 with distributions and expenditure totalling £659,362. The operating profit of £60,638 was gifted to The Football League (Community) Limited.

There were no amounts payable or receivable at the year end between The Football League Limited and FLT Community Trading Limited.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

12. FIXED ASSET INVESTMENTS (continued)

Joint venture undertaking

The investment in joint venture represents a 50% holding in Football DataCo Limited, a joint venture undertaking between The Football League Limited and The Football Association Premier League Limited. The company has a year end of 31 July. The company was formed on 3 May 2001 and established to develop and maximise profits from the two League's data, archive and licensable material rights whilst becoming the source of official data.

The Football Association Premier League Limited owns 100% of the "A" shares of Football DataCo Limited and The Football League Limited owns 100% of the "B" shares of Football DataCo Limited. The "A" and "B" shares have equal rights. Football DataCo Limited is registered at, and trades from, 30 Gloucester Place, London W1U 8PL.

£2,851,309 was payable by Football DataCo Limited to the company in the year. At the year end £151,309 was outstanding.

Associate undertaking

The investment in associate undertaking represents a one third holding in Professional Game Match Officials Limited, a venture between The Football League Limited, The Football Association Limited and The Football Association Premier League Limited. The company has a year end of 31 July. The venture was formed for the provision of referees and refereeing services to The Football League, The Football Association and The Football Association Premier League.

The Football League Limited has provided a guarantee in respect of the liabilities of Professional Game Match Officials Limited to a sum not exceeding £1.

£2,427,069 was payable by the company to Professional Game Match Officials Limited. At the year end £116,319 was outstanding.

Football DataCo Limited and Professional Game Match Officials Limited both have a year end of 31 July and the following financial information, which is in respect of the company's share of their results and incorporated within these financial statements, is derived from unaudited management accounts for the year to 30 June 2011.

	Football DataCo Limited		Professional Game Match Officials Limited	
	2011	2010	2011	2010
	£	£	£	£
Company share of results				
Turnover	4,276,751	3,162,395	2,354,008	2,240,111
Operating (loss)/profit	(4,450)	(3,013)	19,611	(4,959)
Interest receivable and similar income	5,164	3,915	1,434	875
Profit/(loss) before taxation	714	902	21,045	(4,084)
Taxation	-	(245)	-	-
Profit/(loss) after taxation	714	657	21,045	(4,084)
Company share of:				
Fixed assets	-	-	47,982	58,726
Current assets	1,725,984	3,578,370	1,114,526	789,855
Current liabilities – due within one year	(1,717,610)	(3,570,710)	(1,092,206)	(799,324)
Share of net assets	8,374	7,660	70,302	49,257

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

13. DEBTORS

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Amounts falling due within one year				
Trade debtors	4,304,652	4,187,955	3,356,949	3,320,095
Club loans	3,382,794	4,208,484	3,382,794	4,208,484
Other debtors	170,660	136,746	117,561	109,746
Prepayments and accrued income	6,185,343	3,467,976	2,702,281	1,966,723
VAT receivable	-	29,266	-	-
Deferred tax asset	67,080	-	67,080	-
Amounts owed by subsidiary undertakings	-	-	1,204,493	422,427
Amounts owed by joint venture undertaking	151,309	315,197	151,309	315,197
	<u>14,261,838</u>	<u>12,345,624</u>	<u>10,982,467</u>	<u>10,342,672</u>
Amounts falling due after more than one year				
Club loans	-	3,546,418	-	3,546,418
Prepayments and accrued income	346,139	361,612	346,139	361,612
	<u>14,607,977</u>	<u>16,253,654</u>	<u>11,328,606</u>	<u>14,250,702</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade creditors	9,558,864	9,834,708	7,207,181	7,702,112
Ground improvement levies held	28,038	261,026	28,038	261,026
Other creditors	7,011,728	7,351,207	6,927,915	7,076,878
Accruals and deferred income	17,847,447	15,938,359	13,796,082	12,681,846
Other taxation and social security	69,889	87,035	60,244	63,407
VAT payable	1,955,771	226,186	1,889,740	226,186
Corporation tax	161,539	8,029	104,829	-
Amounts due to subsidiary undertaking	-	-	48,471	176,332
	<u>36,633,276</u>	<u>33,706,550</u>	<u>30,062,500</u>	<u>28,187,787</u>

Ground improvement levies held are repayable on application in accordance with the Articles of Association and Regulations of The Football League Limited

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Accruals and deferred income	<u>16,964,462</u>	<u>5,391,762</u>	<u>16,964,462</u>	<u>5,391,762</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

16. PENSION COMMITMENTS

The company operates a defined benefit pension scheme in the UK, which was closed to new entrants from 1 March 2010

Defined benefit scheme

A full actuarial valuation was carried out as at 1 August 2010 and the preliminary results have been updated to 30 June 2011 by a qualified actuary, independent of the scheme's sponsoring employer

The company currently pays contributions at the rate of 17.9% of pensionable pay. Member contributions are payable in addition at the rate of 6.5% of pensionable pay.

The best estimate of contributions to be paid by the company to the scheme for the period beginning after 30 June 2011 is £264,000.

The major assumptions used in the 2011 valuation were

	At 30 June 2011	At 30 June 2010	At 30 June 2009
RPI Inflation	3.50%	3.30%	3.50%
CPI Inflation	3.00%	n/a	n/a
Salary escalation rate	4.50%	4.30%	4.50%
Rate used to discount scheme liabilities	5.50%	5.40%	6.40%
Allowance for pension in payment increases of CPI or 5% p a if less	2.90%	3.30%	3.50%
Allowance for pension in payment increases of RPI or 2.5% p a if less	2.30%	2.40%	2.40%
Allowance for revaluation of deferred pensions of CPI or 5% p a if less	3.00%	3.30%	3.50%
Allowance for commutation of pension for cash at retirement	Yes	Yes	Yes

The mortality assumptions adopted at 30 June 2011 imply the following life expectancies

Average life expectancy	2011		2010		2009	
	Male (years)	Female (years)	Male (years)	Female (years)	Male (years)	Female (years)
Member currently aged 60	86.7	88.7	87.0	89.7	86.9	89.6
Member currently aged 45	87.8	89.9	88.7	91.2	88.6	91.1

The assets of the scheme and the present value of the scheme's liabilities were

	2011 £	2010 £	2009 £
Equities	2,658,000	1,880,000	1,950,000
Bonds	1,757,000	1,587,000	815,000
Property	-	527,000	426,000
Cash	51,000	29,000	30,000
	4,466,000	4,023,000	3,221,000
Present value of scheme liabilities	(7,011,000)	(6,005,000)	(4,789,000)
Net pension liability before deferred tax	(2,545,000)	(1,982,000)	(1,568,000)
Deferred tax at 20% (2010 21%, 2009 21%)	509,000	416,220	329,280
Net pension liability	(2,036,000)	(1,565,780)	(1,238,720)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

16 PENSION COMMITMENTS (continued)

None of the fair value of the assets shown above include any of the company's own financial instruments or any property occupied by, or other assets used by, the company

The long term expected rate of return on cash is determined by reference to bank base rates at the balance sheet dates. The long term expected return on bonds is determined by reference to UK long dated government and corporate bond yields at the balance sheet date. The long term expected rate of return on equities is based on the rate of return on bonds with an allowance for out performance.

The expected long term rates of return applicable for each period are as follows

	2011	2010
Equity	8.50%	8.75%
Bonds	5.40%	6.40%
Property	8.00%	8.00%
Cash	0.50%	2.00%
Overall for scheme	7.20%	8.00%

	2011 £	2010 £	2009 £
<i>Movement in deficit during the year:</i>			
Deficit in the scheme at start of year	(1,982,000)	(1,568,000)	(1,332,000)
Current service costs	(268,000)	(168,000)	(220,000)
Contributions	229,000	222,000	280,000
Other finance income	(34,000)	(46,000)	(47,000)
Actuarial loss	(490,000)	(422,000)	(249,000)
Deficit in scheme at end of year	<u>(2,545,000)</u>	<u>(1,982,000)</u>	<u>(1,568,000)</u>

Reconciliation of opening and closing balances of the fair value of scheme assets.

	2011 £	2010 £
Fair value of scheme assets at start of year	4,023,000	3,221,000
Expected return on scheme assets	294,000	264,000
Actuarial gains	40,000	388,000
Contributions by the company	229,000	222,000
Contributions by scheme participants	83,000	70,000
Benefits paid and death in service insurance premiums	(203,000)	(142,000)
Fair value of scheme assets at end of year	<u>4,466,000</u>	<u>4,023,000</u>

The actual return on the scheme assets over the year ended 30 June 2011 was £334,000

Reconciliation of opening and closing balances of the present value of scheme liabilities:

	2011 £	2010 £
Scheme liabilities at start of year	6,005,000	4,789,000
Current service cost	268,000	168,000
Interest cost	328,000	310,000
Contributions by scheme participants	83,000	70,000
Actuarial losses	530,000	810,000
Benefits paid and death in service insurance premiums	(203,000)	(142,000)
Scheme liabilities at the end of year	<u>7,011,000</u>	<u>6,005,000</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

16. PENSION COMMITMENTS (continued)

Analysis of other pension costs charged to operating profit:

	2011 £	2010 £
Current service cost	268,000	168,000
Interest cost	328,000	310,000
Expected return on scheme assets	(294,000)	(264,000)
Total expense recognised in profit and loss	<u>302,000</u>	<u>214,000</u>

Analysis of the amount recognised in statement of total recognised gains and losses (STRGL)

	2011 £	2010 £
Actual return less expected return on pension scheme assets	40,000	388,000
Experience gains and losses arising on the scheme liabilities	(892,000)	133,000
Changes in assumptions underlying the present value of the scheme liabilities	362,000	(943,000)
Actuarial loss recognised in STRGL	<u>(490,000)</u>	<u>(422,000)</u>

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses since adoption of FRS17 is a loss of £2,507,000

Amounts for previous years

	2011 £	2010 £	2009 £	2008 £	2007 £
Fair value of scheme assets	4,466,000	4,023,000	3,221,000	3,801,000	3,853,000
Present value of scheme liabilities	<u>7,011,000</u>	<u>6,005,000</u>	<u>4,789,000</u>	<u>5,133,000</u>	<u>4,278,000</u>
Deficit in scheme	<u>(2,545,000)</u>	<u>(1,982,000)</u>	<u>(1,568,000)</u>	<u>(1,332,000)</u>	<u>(425,000)</u>
Experience adjustment on scheme assets	40,000	388,000	(943,000)	(626,000)	61,000
Experience adjustment on scheme liabilities	(892,000)	133,000	(10,000)	53,000	(155,000)

Defined contribution scheme

Total contributions to the defined contribution scheme amounted to £88,819 (2010 £72,920) No payments were outstanding at 30 June 2011 (2010 £6,168)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

17. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation

Arising on timing differences

	£
At 1 July 2010	-
Profit and loss account	(67,080)
At 30 June 2011	<u>(67,080)</u>

The deferred tax asset is held within debtors falling due within one year

The Budget on 23 March 2011 announced that the UK corporation tax rate will reduce from 28% to 23% over a period of four years from 2011. The first reduction in the UK corporation tax rate from 28% to 26% was effective from 1 April 2011. This will reduce the Company's future current tax charge accordingly.

The deferred tax balance at 30 June 2011 has been calculated based on the current corporation tax rate of 26%. The enactment on 5 July 2011, which reduced the UK corporation tax rate to 25%, has not been reflected in the deferred tax calculations as at 30 June 2011 due to the date of the enactment taking place post 30 June 2011.

It has not been possible to quantify the full anticipated effect of the announced further rate reductions, although this will further reduce the Company's future current tax credit/charge and reduce the Company's deferred tax liabilities/assets.

18. CALLED UP SHARE CAPITAL

	2011 £	2010 £
Called up, allotted and nil paid 72 ordinary shares of 5 pence each	-	-
Authorised 100 ordinary shares of 5 pence each	5	5

19. PROFIT AND LOSS ACCOUNT

	Group £	Company £
At 1 July 2010	(331,014)	(1,182,518)
Profit for the financial year	194,668	171
	(136,346)	(1,182,347)
Actuarial loss recognised	(490,000)	(490,000)
Deferred tax arising on actuarial loss	98,000	98,000
At 30 June 2011	<u>(528,346)</u>	<u>(1,574,347)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

The Group	2011 £	2010 £
Opening shareholders' deficit	(351,014)	(69,571)
Profit for the financial year	194,668	71,937
Actuarial loss on company pension scheme	(392,000)	(333,380)
Closing shareholders' deficit	<u>(528,346)</u>	<u>(331,014)</u>

21. RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Group operating loss	(131,337)	(103,279)
Depreciation	79,134	40,077
Goodwill amortisation	(35,142)	(35,142)
Decrease in debtors	1,741,784	4,909,750
Increase in creditors and deferred income	14,385,066	71,083
Net cash inflow from operating activities	<u>16,039,505</u>	<u>4,882,489</u>

22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest receivable and other similar income	403,810	224,917
Interest paid	(1,796)	(2,581)
Net cash inflow from returns on investments and servicing of finance	<u>402,014</u>	<u>222,336</u>
Net cash outflow from capital expenditure and financial investment		
Payments to acquire tangible fixed assets	<u>(94,643)</u>	<u>(90,259)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

23 FINANCIAL COMMITMENTS

Capital commitments

There were no capital commitments contracted for but not provided for at 30 June 2011 (2010 £nil)

Operating lease commitments

At 30 June 2011, the Group was committed to making the following payments during the next year in respect of operating leases

The Group and Company	2011 Land and buildings £	2011 Other £	2010 Land and buildings £	2010 Other £
Leases which expire				
Within one year	73,000	7,048	73,000	-
In between two and five years	62,754	26,954	-	33,926
In more than five years	51,528	-	114,282	-
	<u>187,282</u>	<u>34,002</u>	<u>187,282</u>	<u>33,926</u>

24 RELATED PARTY TRANSACTIONS

By the company's nature and in accordance with its rules, The Football League enters into transactions in the normal course of business with its Member Clubs. Payments made to the Football League Member Clubs are included in external charges.

Where contracts are entered into by The Football League that relate to both on line and off line inventory the income relating to the on line rights is paid to FL Interactive. That amounted to £5,359,924 for the year ended 30 June 2011 (2010 £3,998,633). The company also receives monies from FL Interactive in accordance with the terms of the rights agreement of December 2000 amounting to £1,087,309 (2010 £997,071). At the year end an amount of £239,745 was payable to the company by FL Interactive (2010 £310,614) and an amount of £48,471 was payable by the company to FL Interactive (2010 £nil).

The company loaned an amount of £1,039,874 to The Football League Trust Limited during the year. In addition the company made a contribution to The Football League Trust Limited's overheads amounting to £583,009 (2010 £569,997). At the year end the loan remained outstanding with a net amount of £963,885 being due to the company (2010 £65,382 due by the company).

The company made a special contribution of £158,000 into the company's defined benefit pension scheme which was used as part of the death benefit paid at the Trustees discretion subsequent to the death of a senior member of the League's management team. This amount has been charged to pension costs in the year and is included in creditors falling due within one year at 30 June 2011.

All other transactions requiring disclosure under the requirements of Financial Reporting Standard 8 'Related party disclosures' are shown in note 12.

25. FINANCIAL INSTRUMENTS

The company's financial instruments comprise cash and liquid resources, balances with group undertakings, and various items such as trade debtors, trade creditors etc, that arise directly from its operations.

It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the company's financial instruments are foreign currency risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

The company's transactions are sterling denominated other than those relating to the sale of overseas broadcast rights. Those transactions are a mixture of sterling and US dollars. The company has entered into forward hedging agreements totalling US\$43.4 million in respect of its contracts that are expressed in US dollars. Those transactions are traded at pre-determined rates between August 2009 and January 2012.

FIVE YEAR REVIEW
Year ended 30 June 2011

	2011 £	2010 £	2009 £	2008 £	2007 £
Profit and loss account					
Group turnover	137,991,698	135,577,796	80,934,677	71,981,230	63,041,795
Group operating loss	(131,337)	(103,279)	(730,417)	(1,162,550)	(120,564)
Net interest receivable	431,191	230,041	886,951	1,530,738	539,961
Profit before tax	287,613	77,580	98,216	383,122	469,065
Profit for the financial year	194,668	71,937	171,984	309,984	380,851
Balance sheet					
Intangible assets	(210,847)	(245,989)	(281,131)	(316,273)	(351,415)
Tangible fixed assets	173,309	157,800	107,618	150,553	163,593
Fixed asset investments	78,676	56,917	60,344	71,662	41,728
Debtors	14,607,977	16,253,654	21,214,381	13,220,223	9,475,542
Cash at bank and in hand	40,456,277	24,110,696	19,107,426	39,656,436	15,605,370
Creditors amounts falling due within one year	(36,633,276)	(33,706,550)	(27,085,368)	(33,605,451)	(21,385,647)
Creditors amounts falling due after more than one year	(16,964,462)	(5,391,762)	(11,954,121)	(18,156,395)	(2,800,000)
Net assets excluding pension liability	1,507,654	1,234,766	1,169,149	1,020,755	749,171
Pension liability	(2,036,000)	(1,565,780)	(1,238,720)	(1,065,600)	(340,000)
Net (liabilities) / assets	(528,346)	(331,014)	(69,571)	(44,845)	409,171