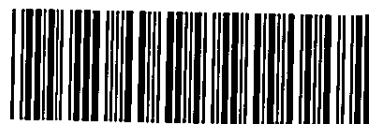


THE FOOTBALL LEAGUE LIMITED

ANNUAL REPORT ***AND FINANCIAL STATEMENTS 2008/09***

Company No. 80612

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COMPANIES HOUSE

ROLL OF HONOUR

COCA-COLA CHAMPIONSHIP

Champions	Wolverhampton Wanderers
Runners-up	Birmingham City
Play-Off Winners	Burnley

COCA-COLA LEAGUE 1

Champions	Leicester City
Runners-up	Peterborough United
Play-Off Winners	Scunthorpe United

COCA-COLA LEAGUE 2

Champions	Brentford
Runners-up	Exeter City
Promoted	Wycombe Wanderers
Play-Off Winners	Gillingham

CARLING CUP

Winners	Manchester United
Runners-up	Tottenham Hotspur

JOHNSTONE'S PAINT TROPHY

Winners	Luton Town
Runners-up	Scunthorpe United

PUMA YOUTH ALLIANCE

North West Conference

Winners	Wrexham
Runners-up	Burnley

North East Conference

Winners	Chesterfield
Runners-up	Hull City

South West Conference

Winners	Swindon Town
Runners-up	Plymouth Argyle

South East Conference

Winners	Southend United
Runners-up	Queens Park Rangers

Youth Alliance Cup

Winners	Grimsby Town
Runners-up	Queens Park Rangers

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CHAIRMAN'S REVIEW

Welcome to The Football League Annual Report 2008/09

In what has been another encouraging twelve months for The League, we have seen genuine progress achieved both on and off the pitch. Our competitions are strong and vibrant, our commercial platform is flourishing and our clubs are confidently moving forward together.

I offer congratulations to our three Champion clubs – Wolverhampton Wanderers, Leicester City and Brentford on their achievement, as well as to all those clubs that achieved promotion. Well done too, to Manchester United and Luton Town, the winners of the Carling Cup and Johnstone's Paint Trophy, respectively.

On the field, Football League clubs are involved in hard fought, entertaining matches to an ever growing family audience. Their hard work has helped crowds at League matches top the 16 million mark for the fifth consecutive season. Attendances are now at their highest levels for 50 years and continue to hold up despite the effects of the recent economic downturn.

This is a remarkable achievement and demonstrates the progress that football has made in the last few decades. It should not be forgotten that less than 25 years ago just 7.5 million people watched matches in our three divisions – less than half the current number. No country in the world has a professional

football system below its top division which matches the breadth, commercial appeal and enduring popularity offered by The Football League. We are truly a league apart.

Crucial to this success has been the outstanding efforts clubs have made to integrate themselves into their local communities. Under the guidance of The Football League Trust our clubs are making a growing contribution to the towns and cities they represent. From their position at the heart of the community League clubs are reaching out to more than 1.5 million people every season and this number is growing rapidly.

Encouragingly, both of The League's showpiece cup competitions also continue to thrive with their crowds and public profile on the increase. This continuing success helped The League agree new three-year sponsorship extensions for both competitions in December 2008. Elsewhere on the commercial front, The League broadened its commercial platform further by agreeing two new Official partnerships with Thomas Cook and Texaco and Official Supplier agreements with Macron and Precision Training.

Our immediate commercial priority is to find a new title sponsor following the recent news that our partnership with Coca-Cola will conclude at the end of the current season. That work is ongoing and we are greatly encouraged by the response of the commercial marketplace to this opportunity. I would like to offer my appreciation

to Coca-Cola for their generous support over the last six seasons. Having one of the world's most recognised brands sponsoring our competition has been a tremendous source of encouragement.

The beginning of our new £264 million broadcasting agreement with Sky Sports and BBC Sport has helped raise The League's public profile to new levels. As ever, the long term support and comprehensive coverage provided by the former is hugely important to The League, whilst the arrival of the latter has seen live Coca-Cola Football League and Carling Cup matches return to free-to-air television for the first time since 1988.

The growth of FL Interactive, The Football League's online arm is also encouraging. Its network of 80 Official Club Websites is now viewed by more than 6 million fans every month and is providing a growing revenue stream for clubs with more than £3 million being distributed during 2008/09.

Allied to this desire to raise more revenue for clubs is a strong determination to maintain the rate of progress achieved in recent seasons on financial governance issues. This summer clubs voted to allow The League to monitor some of their tax affairs in conjunction with HMRC. This important development will help football develop a culture of paying its debts rather than putting them off for another day. I believe this initiative will help football clubs become more financially responsible and sustainable, so that in the long run fewer clubs become insolvent.

I would like to thank our colleagues at the Premier League, Football Association, League Managers Association and Professional Footballers Association for the help and support they give to The League and our clubs. Alongside those colleagues, The Football League is strongly supporting England's bid to host the 2018 World Cup.

Finally, I have recently confirmed that I will stand down as Chairman of The Football League on 15th March 2010. It has been a privilege to serve clubs for the last seven years and I am immensely grateful for the help and support I have received from my fellow Board members, The League executive and above all the wider membership of clubs. Thank you.

The Football League remains a hugely important institution. The entertainment it provides week-in, week-out, the sense of belonging it provides to millions of fans and its impact on local communities throughout the country, all make it a vital part of our sporting heritage.

Long may that be the case.

Lord Mawhinney
Chairman – The Football League

COMPETITION REVIEW

COCA-COLA CHAMPIONSHIP

It was a West Midlands one-two as Wolverhampton Wanderers and Birmingham City took the Coca-Cola Championship's automatic promotion places, Wolves deservedly won the title having been top of the table since October while the Blues – after being relegated from the Premier League – were rarely out of the top three throughout the campaign.

Reading, who like Birmingham were looking to bounce back to the top flight at the first attempt, were outstanding in the season's early stages but faltered as the pressure built during the run-in and had to settle for a place in the Play-Offs

The Royals finished fourth in the table, a place behind Sheffield United after the Blades had produced an excellent late run that at one stage seemed like it might take them ahead of Birmingham into the second of the automatic promotion positions

In the Play-Off semi-finals Sheffield United overcame Preston North End, who had sneaked into sixth place on goal difference Reading meanwhile lost out to Burnley, who after exciting runs in both major Cup competitions completed their season in style with a narrow but deserved 1-0 Wembley Play-Off Final victory courtesy of an early goal by midfielder Wade Elliott

At the other end of the table there was a major surprise as Charlton Athletic, Southampton and Norwich City – all of whom had been in the Premier League four seasons earlier – were relegated Southampton and Norwich had not played at League 1 level since both were promoted from the then third division in 1960, while Charlton had been in the upper echelons of the League system since 1981

TEAM	P	W	D	L	F	A	GD	PTS
1 Wolverhampton Wanderers	46	27	9	10	80	52	+28	90
2 Birmingham City	46	23	14	9	54	37	+17	83
3 Sheffield United	46	22	14	10	64	39	+25	80
4 Reading	46	21	14	11	72	40	+32	77
5 Burnley	46	21	13	12	72	60	+12	76
6 Preston North End	46	21	11	14	68	54	+12	74
7 Cardiff City	46	19	17	10	65	53	+12	74
8 Swansea City	46	16	20	10	63	50	+13	68
9 Ipswich Town	46	17	15	14	62	53	+9	66
10 Bristol City	46	15	16	15	54	54	0	61
11 Queens Park Rangers	46	15	16	15	42	44	2	61
12 Sheffield Wednesday	46	16	13	17	51	58	7	61
13 Watford	46	16	10	20	68	72	-4	58
14 Doncaster Rovers	46	17	7	22	42	53	-11	58
15 Crystal Palace *	46	15	12	19	52	55	-3	56
16 Blackpool	46	13	17	16	47	58	-11	56
17 Coventry City	46	13	15	18	47	58	-11	54
18 Derby County	46	14	12	20	55	67	-12	54
19 Nottingham Forest	46	13	14	19	50	65	-15	53
20 Barnsley	46	13	13	20	45	58	-13	52
21 Plymouth Argyle	46	13	12	21	44	57	-13	51
22 Norwich City	46	12	10	24	57	70	-13	46
23 Southampton	46	10	15	21	46	69	-23	45
24 Charlton Athletic	46	8	15	23	52	74	-22	39

* 1pt Deducted

COCA-COLA LEAGUE 1

Leicester City had never in the club's history played at League 1 level before their 2008 relegation from the Championship. The Foxes bounced back immediately, however, topping the table for the majority of the season to finish as worthy champions after suffering only four defeats – the best record in all three divisions.

Tailing the Foxes for much of the season were Milton Keynes Dons and Peterborough United, with both clubs performing well after being promoted from League 2. Until the closing stages of the campaign the Dons looked the likeliest side to clinch automatic elevation along with Leicester, but the Posh produced a magnificent seven-match winning run that led to them achieving back-to-back promotions.

So MK Dons had to take the Play-Off route but lost out to Scunthorpe United in the semi-finals, at which stage the pre-season promotion favourites Leeds United were also sunk. Millwall beat Leeds to reach the Wembley Final, but Scunthorpe – seven weeks to the day after losing the Johnstone's Paint Trophy Final at the same venue – triumphed 3-2 thanks to a late Martyn Woolford winner that meant the Iron reclaimed their Championship status a year after losing it.

Hereford United had a similar story but in reverse to Scunthorpe's, the Bulls having won promotion to League 1 in 2008 but 12 months later found themselves back in League 2 after finishing bottom of the table. Cheltenham Town, Crewe Alexandra and Northampton Town were the other relegated clubs, the Cobblers agonisingly falling into the drop zone on the last day of the season.

TEAM	P	W	D	L	F	A	GD	PTS
1 Leicester City	46	27	15	4	84	39	+45	96
2 Peterborough United	46	26	11	9	78	54	+24	89
3 Milton Keynes Dons	46	26	9	11	83	47	+36	87
4 Leeds United	46	26	6	14	77	49	+28	84
5 Millwall	46	25	7	14	63	53	+10	82
6 Scunthorpe United	46	22	10	14	82	63	+19	76
7 Tranmere Rovers	46	21	11	14	62	49	+13	74
8 Southend United	46	21	8	17	58	61	-3	71
9 Huddersfield Town	46	18	14	14	62	65	-3	68
10 Oldham Athletic	46	16	17	13	66	65	+1	65
11 Bristol Rovers	46	17	12	17	79	61	+18	63
12 Colchester United	46	18	9	19	58	58	0	63
13 Walsall	46	17	10	19	61	68	-5	61
14 Leyton Orient	46	15	11	20	45	57	-12	58
15 Swindon Town	46	12	17	17	68	71	-3	53
16 Brighton & Hove Albion	46	13	13	20	55	70	-15	52
17 Yeovil Town	46	12	15	19	41	68	-25	51
18 Stockport County *	46	16	12	18	59	57	+2	50
19 Hartlepool United	46	13	11	22	66	79	-13	50
20 Carlisle United	46	12	14	20	56	69	-13	50
21 Northampton Town	46	12	13	21	61	65	-4	49
22 Crewe Alexandra	46	12	10	24	59	82	-23	48
23 Cheltenham Town	46	9	12	25	51	91	-40	39
24 Hereford United	46	9	7	30	42	79	-37	34

* 10pts Deducted

COCA-COLA LEAGUE 2

Wycombe Wanderers set the pace in Coca-Cola League 2 with a tremendous first half of the season, but the Chairboys were overtaken in mid-February by a Brentford side that ran out worthy title winners. It was quite a turnaround for the Bees, who had fallen from grace in the previous two seasons after reaching the League 1 Play-Offs in both 2005 and 2006.

After a nervous run-in Wycombe, out of League 1 for five seasons, clinched automatic promotion on the final day of the campaign but were pipped for the runners-up spot by Exeter City. It was a second promotion on the bounce for the Grecians, who at the end of the previous campaign had won the Blue Square Premier Play-Offs to end a five-year absence from The Football League.

Bury missed out on automatic promotion on goal difference and then suffered further disappointment when they were beaten by Shrewsbury Town in the Play-Off semi-finals. Gillingham beat Rochdale in the other semi and it was the Gills, a year after dropping out of League 1, who clinched promotion through a last minute Simeon Jackson goal in a 1-0 Wembley Final win against the Shrews.

The clubs who lost their Football League status were Luton Town and Chester City. The Hatters had started the season with a 30-point penalty and, despite some good spells and an against-the-odds Johnstone's Paint Trophy Final victory over Scunthorpe, the points deduction proved too much of a handicap. Half-way through the season Chester were 16 points clear of the relegation zone, but they then fell away and occupied the second-from-bottom spot for the last six weeks of the campaign.

TEAM	P	W	D	L	F	A	GD	PTS
1 Brentford	46	23	16	7	65	36	+29	85
2 Exeter City	46	22	13	11	65	50	+15	79
3 Wycombe Wanderers	46	20	18	8	54	33	+21	78
4 Bury	46	21	15	10	63	43	+20	78
5 Gillingham	46	21	12	13	58	55	+3	75
6 Rochdale	46	19	13	14	70	59	+11	70
7 Shrewsbury Town	46	17	18	11	61	44	+17	69
8 Dagenham & Redbridge	46	19	11	16	77	53	+24	68
9 Bradford City	46	18	13	15	66	55	+11	67
10 Chesterfield	46	16	15	15	62	57	-5	63
11 Morecambe	46	15	18	13	53	56	-3	63
12 Darlington •	46	20	12	14	61	44	+17	62
13 Lincoln City	46	14	17	15	53	52	+1	59
14 Rotherham United ••	46	21	12	13	60	46	+14	58
15 Aldershot Town	46	14	12	20	59	80	-21	54
16 Accrington Stanley	46	13	11	22	42	59	-17	50
17 Barnet	46	11	15	20	56	74	-18	48
18 Port Vale	46	13	9	24	44	66	-22	48
19 Notts County	46	11	14	21	49	69	-20	47
20 Macclesfield Town	46	13	8	25	45	77	-32	47
21 AFC Bournemouth ••	46	17	12	17	59	51	+8	46
22 Grimsby Town	46	9	14	23	51	69	-18	41
23 Chester City	46	8	13	25	43	81	-38	37
24 Luton Town •••	46	13	17	16	58	65	-7	26

• 10pts Deducted •• 17pts Deducted ••• 30pts Deducted

CARLING CUP

Manchester United won the Carling Cup with a dramatic penalty shoot-out win against Tottenham Hotspur, but it was not just the Final that ended in drama as both teams had been through nerve-wracking moments on the road to Wembley

European commitments meant that neither side had entered the competition until the third round, at which stage the victories were routine – United beat Middlesbrough 3-1 and Spurs went through with a 2-1 win against Newcastle United. Spurs then impressively beat Liverpool 4-2 in Round Four, but United needed a late Carlos Tevez penalty to beat Championship club Queens Park Rangers

In the quarter-finals United overcame Blackburn Rovers 5-3 while Tottenham this time had problems against Championship opposition, Watford taking the lead but the Premier League club came back to win 2-1

QPR and Watford had provided scares for the eventual finalists, but by comparison Championship clubs Derby County and Burnley were about to produce palpitations for the clear favourites in their respective two-leg semi-finals

United were shock 1-0 losers at Derby County but recovered to win 4-2 at Old Trafford and so reach the Final on a 4-3 aggregate. Spurs meanwhile appeared to be coasting to Wembley after a 4-1 first leg win against Burnley at White Hart Lane, but a gutsy second leg display by the Clarets saw them go 3-0 up to take the tie into extra time – only for the visitors to grab two goals to go through 6-4 on aggregate

And so to Wembley for what was the first major Cup Final in which United and Tottenham had met. The Londoners were defending the trophy having won it in 2008, while United were attempting to lift the Cup for the first time since 2004. And after a goalless 90 minutes plus extra time, it was Sir Alex Ferguson's team who held their nerve to win 4-1 on penalties and lift the Cup for the third time

JOHNSTONE'S PAINT TROPHY

Luton Town put their League 2 problems aside to claim a famous victory in a scintillating Johnstone's Paint Trophy Final against the hot favourites Scunthorpe in front of an impressive Wembley crowd of 55,378

The Hatters had started the competition with a bye through the Southern Section first round, but they then had a far from easy passage to the Final. It took a penalty shoot-out to dispose of Brentford in Round Two, following which Mick Harford's League 2 team faced League 1 opposition in every round.

They won 1-0 at Walsall in the Area Section quarter-final and then beat Colchester United at home by the same score in their semi-final. A two-leg Area Final ended in a penalty shoot-out win against Brighton to set up their Wembley meeting with Scunthorpe, who had enjoyed a far smoother passage to the Final.

The Iron had claimed 2-1 Northern Section wins against Notts County in Round One and Grimsby in the second round, then after a 1-0 Area quarter-final victory over Rochdale they had another 2-1 success, this time against Tranmere Rovers, to reach the Area Final in which they beat Rotherham United 2-1 on aggregate.

As they were chasing promotion from League 1 while the Hatters were battling to avoid relegation from League 2, Scunthorpe were expected by most football followers outside Luton to go on and lift the Trophy. But instead it was an extra time goal by substitute Claude Gnaka that settled a thrilling contest 3-2 in the Hatters' favour.

OPERATIONS

The 2008/09 season proved to be another campaign in which all three of The Football League's divisions were keenly contested, from the first kick-off right through to the final day, ten months later

In the Coca-Cola Championship crowds rose by 5% and averaged 17,891. Once again, The League's top division drew a larger total audience than Serie A, confirming it as the fourth most watched league in Europe.

Meanwhile, crowds for matches in Coca-Cola League 1 and Coca-Cola League 2 averaged more than 7,500 and 4,100 respectively. These figures continue to dwarf those at comparable levels of the game in Europe's other major footballing nations.

League 1 crowds are 40% greater than those in Germany and more than three times higher than those recorded in both Italy and France. League 2 crowds are almost three times greater than those of German football and four times larger than those seen in the Italian game.

The League's showpiece cup competitions also continue to thrive, with both the Carling Cup and Johnstone's Paint Trophy enjoying growing audiences and public profile.

The 2008/09 season saw a significant drop in club spending on agents' fees, with the amount of money committed to agents falling by more than £2 million. In total, League clubs committed £8.8m to agents between July 2008 and June 2009 compared to £11.1m for the same period in 2007/08.

There was also further evidence that clubs are gradually becoming more circumspect in terms of these payments with clubs only committing to pay an agent in 6% of the 3,700 player transactions that took place during the course of the season. This is the lowest figure recorded in the five seasons since the publication of agents' fees began.

With League clubs investing more than £40m per season on youth development, The Football League is continuing to fulfil its promise to identify, educate and develop the next generation of footballing talent. This was assisted during the 2008/09 season with The League securing an extra £3.4m of funding for club youth development programmes from FA monies attributable to the professional game. This enabled clubs to apply for a maximum grant of £180,000 compared to the £138,000 that had been in place for the previous decade.

The League is dedicated to ensuring that young players being developed at clubs are given the opportunity to demonstrate their talents at first team level. This was demonstrated by the introduction of the new 'Home Grown Players' rule at the beginning of the 2009/10 season, which made it compulsory for clubs' eighteen man matchday squads to include a minimum of four players registered domestically, for at least three seasons, prior to their 21st birthday.

The issue of insolvency continues to represent a significant challenge to league football and one that The Football League continues to address proactively, in partnership with its member clubs. The 2009 Football League AGM saw League clubs vote to introduce significant new regulations relating to tax payments.

Going forward, any club that falls behind with its employee related payments to HMRC will be subject to a transfer embargo until such time as the debt is cleared. The rationale behind this is that those clubs that are unable to meet the costs associated with their existing playing staff should not be able to make further player commitments.

Clubs also agreed to give The League written permission to monitor, as appropriate, their tax affairs directly with HMRC. It is intended that this new regime will provide an early warning system where clubs are facing financial problems and also help prevent HMRC debt reaching levels that otherwise could hinder the potential rescue of the club through a CVA.

FANS - THE NEXT GENERATION

The 2008/09 season saw The Football League's 'Fans of the Future' initiative - The League's concerted effort to get the next generation of young fans watching matches at their local League club - maintain its momentum from recent seasons with two new campaigns - 'Enjoy the Match' and 'Junior Reporter'.

The new season kicked-off with the launch of 'Enjoy the Match', which is aimed at promoting a family atmosphere in all 72 grounds and increase incentives for families to visit their clubs beyond just cheaper tickets

The initial catalyst for Enjoy the Match was the groundbreaking Family Excellence Awards in the 2007/08 season, which saw families sent to all Football League grounds in a 'Mystery Shopper' guise to assess all aspects of the matchday experience from purchasing tickets to parking, stewarding and toilets

The Family Excellence Award Assessments found that foul and abusive language created a negative impression at 46% of the 144 game assessed and The League responded by creating a programme to eradicate these aspects from family areas of grounds

The League also encouraged proactive stewarding, as well as providing collateral such as signage, a specially produced Enjoy the Match film and PA announcements voiced by children encouraging fans to deter from foul and abusive language

A number of Football League clubs took the tannoy announcements to the next level by having young mascots read the Enjoy the Match message live from the centre circle before games

Enjoy the Match pledge boards were signed by managers and players alike who all demonstrated their support for the campaign, whilst an online pledge system for fans was also created

The Enjoy the Match film, produced by Wilder Films, starred actor Neil Maskell portraying a foul-mouthed father at a family BBQ to highlight the impact of abusive language in an alternative family setting. The production swept the industry awards by claiming the Grand Prix Award at the International Visual Communications Awards in 2009 and at the International Film Festival in New York. The campaign itself was shortlisted for the 2009 Sports Industry Awards

As a result of The Football League's Enjoy the Match campaign, there were significant increases in attendances in family areas between August and December 2008. Numbers were up by 12% compared to a rise in total crowds of 3% across League football as a whole, itself generating more than £1.5m in additional revenue for clubs

Research shows that there is widespread support amongst fans for the campaign, with 91% of supporters agreeing that by eradicating foul and abusive behaviour, Football League matches are more appealing to families. Consequently, 95% agreed that the Enjoy the Match campaign is important

Further studies have indicated that over half of the participants are aware of the Enjoy the Match campaign, with 65% of those responding positively believing that it has already helped to improve the behaviour of supporters in family stands

The 'Fans of the Future' initiative also saw The Football League reach out to the next generation of football writers. The Junior Reporter competition saw each club pick their best young journalist from their local area. The club winners were judged by experienced football journalist and Football League website contributor, Tony Leighton, who selected the best from each of the three divisions. The winners then went on to be The League's official Junior Reporters at the respective Coca-Cola Football League Play-Off Finals

COMMERCIAL

The 2008/09 season proved another successful season on the commercial front for The Football League, with some well-established relationships being extended and a number of new partners being welcomed into the fold

Ongoing support for The League's two showpiece cup competitions was secured through contract extensions with both of the incumbent partners. In early December, Johnstone's Paint agreed to put their name to the Johnstone's Paint Trophy for a further three seasons, with the competition's growing profile and crowds encouraging the Yorkshire firm to extend their investment through to the end of the 2011/12 season.

A week later, Molson Coors (UK) extended their sponsorship of the Carling Cup for a similar period. This partnership is now comfortably the longest running competition sponsorship in domestic football and extends to fourteen seasons, with Molson Coors (UK) having committed to sponsor the competition for nine seasons through its Carling brand and five through its Worthington's brand.

The Football League's Partnership Programme continues to go from strength to strength with three of the four slots now filled. Following the announcement of E.ON as The League's first partner the previous season, 2008/09 saw Texaco become the official motor fuel partner of The Football League Championship. The new partnership also saw Texaco give its name to The League's new Official Fantasy Football game, with more than 40,000 supporters taking part.

More recently, Thomas Cook has signed up to become The League's Official Travel Partner for three seasons. The agreement enables fans to benefit by claiming free club-branded membership cards that provide substantial discounts on Thomas Cook holidays. In turn, league clubs benefit through a royalty paid by Thomas Cook on each holiday booked by their supporters.

There was also good news within The League's Official Suppliers programme with two upwardly mobile companies investing in league football for the first time. In April, 2009 The League announced a two-year agreement with Macron that will see the Italian sportswear brand become the Official Kit Supplier of The Football League. Under the new agreement, Macron will also support the outstanding contribution made by Football League clubs to their local communities by providing kit to the 1400 community coaches working on their behalf. Meanwhile, Precision Training became the Official Training Aids Supplier of The Football League in a brand new three-year deal. The new agreement sees club community programmes receive market-leading training equipment to assist with their efforts to promote participation in football in their local area.

Looking ahead, The League's priority is to find a new title sponsor following the news that Coca-Cola Great Britain's current agreement will not be renewed beyond the end of the 2009/10 season. The Football League would like to thank Coca-Cola for their support and continued commitment and discussions are continuing about a future commercial partnership of some kind. In the last six seasons, Coca-Cola Great Britain has invested heavily in The Football League and has created innovative, high profile promotional campaigns to raise awareness of The Football League and its 72 clubs. Discussions with a number of potential new partners are currently ongoing.

Despite the economic downturn, The Football League continues to punch its weight in the commercial market place thanks to booming crowds and a burgeoning public profile. The League's new £264m multi-platform television agreement with Sky Sports and BBC Sport, which kicked-off this season, has taken coverage of matches to new heights, with live league matches returning to free-to-air television on the BBC for the first time since 1988. This heightened interest enables The League to deliver the revenue that maintains the strongest professional football pyramid in the world game.

FL INTERACTIVE

The 2008/09 season saw FL Interactive maintain its recent forward momentum. Across the season, The Football League's new media subsidiary attracted an average of 5.5m unique users to its 80 club websites every month, delivering 60m page impressions. The Football League's new media subsidiary also broadened its business base through a number of new partnerships in the process helping it generate record revenues. A record figure of more than £3m was distributed to clubs from a total income of £7.5m.

This rapid progress enabled FLi to expand its in-house team with a particular emphasis being placed on ensuring that its Business Development department is best placed to monetise its advertising, sponsorship and content syndication opportunities. Additionally, a new three-man team has been appointed to work more closely with participating clubs to ensure that clubs receive all the help, support and advice they need.

On the commercial front, 2008/09 saw Sky Sports become the premier partner of club websites with The League's primary broadcaster enjoying top billing on the masthead of the 720m pages viewed by fans on the FLi network every year. FLi also completed its first syndication partnership, licensing a Johnstone's Paint Trophy content package to ITV.com.

After several years of successful co-operation FLi extended its technical service agreement with the Perform Group for three further years. The new partnership, which came into effect in July 2009, includes strengthened service level agreements and a commitment by Perform to expand its dedicated account staff.

The season's main technical project was the redevelopment and substantial rebranding of the 'World' premium video and audio subscription service on club websites. Following extensive user research and the deployment of specialist information architects, the new club 'Player' service was successfully launched in August 2009. The new service incorporates a range of product enhancements including a 1meg widescreen flash media player and a 64k live audio stream.

Looking ahead, FLi is focussed on the successful roll-out of that new service, which will include working with clubs to ensure that supporters are being provided unique video and audio content. Plans are already afoot to revamp FLi's mobile proposition, by providing a blend of WAP, SMS and application-driven services to ensure that supporters are kept abreast of all the latest news at their club.

FLi will also continue with broadening its business by way of a syndication income centre and developing new services based on discussions with third parties which it is hoped will push income beyond £10m, with club distributions reaching £5m.

THE FOOTBALL LEAGUE AWARDS

More than 800 people from the world of football attended the fourth annual Football League Awards, in association with FourFourTwo's Top 50 Football League Players, on Sunday 29 March 2009. Representatives from clubs, sponsors, the media and across the football industry gathered at Grosvenor House on Park Lane to take part in the ceremony hosted by Sky Sports presenter George Gavin.

A wide range of accolades were handed out at the event which recognises everything from goal of the year and apprentice of the year to the best matchday programme. The highly successful awards night again highlighted all the vital work done both on and off the pitch by Football League Clubs.

Wolverhampton Wanderers striker, Sylvan Ebanks-Blake stole the show with a double header on his birthday by clinching the FourFourTwo Player of the Year for the Coca-Cola Championship and the Mitre Goal of the Year awards for his winning strike against Charlton in March 2008. The 23-year old was a vital driving force behind Wolves' eventual promotion to the Premier League by netting 24 times last season.

Player of the Year in Leagues 1 and 2 went to Leicester City's Matt Fryatt and Shrewsbury Town's Grant Holt respectively, with Fabian Delph named as the FourFourTwo Young Player of the Year. All four winners were the highest ranked players for each division in FourFourTwo's Top 50 Football League Players vote.

Youth Development is key to the success of Football League clubs and the Championship Manager Young Apprentice prizes were handed out to Sean Scannell (Crystal Palace), Tom Aldred (Carlisle United) and Matthew Phillips (Wycombe Wanderers) for the Championship, League 1 and League 2 respectively.

EA SPORTS FAN OF THE YEAR (IN ASSOCIATION WITH BBC RADIO 5 LIVE)

Warner Duff - Ipswich Town

FAMILY CLUB OF THE YEAR

Championship	Wolverhampton Wanderers
League 1	Southend United
League 2	Shrewsbury Town

PRESS ASSOCIATION SPORT BEST MATCHDAY PROGRAMME

Burnley - 'Claret and You'

CHAMPIONSHIP MANAGER YOUNG APPRENTICE

Championship	Sean Scannell - Crystal Palace
League 1	Tom Aldred - Carlisle United
League 2	Matthew Phillips - Wycombe Wanderers

PFA PLAYER IN THE COMMUNITY

Graeme Murty - Reading

In the stands, Warner Duff scooped the EA Sports Fan of the Year honour for his selfless dedication to Ipswich Town. A volunteer at the Championship club for the last eight years, Duff heads various initiatives to aid visually impaired supporters, including a specialist matchday commentary. The Perform Best Fan Marketing Campaign went to Preston North End for their environmentally friendly project, 'Lilywhites Go Green'.

Wolverhampton Wanderers picked up their third accolade of the night with victory in the Family Club of the Year category. The Championship side were joined by League 1's Southend United and League 2's Shrewsbury Town for their efforts in providing the best experience for families.

Local communities are the life blood of Football League Clubs and for their services Charlton Athletic, Leyton Orient and Brentford were awarded CSI Sports Community Clubs of the year for the Championship, League 1 and League 2. Former Reading defender, Graeme Murty received the PFA Player in the Community for his support of local charity 'Swings and Smiles'.

Milton Keynes Dons grabbed top spot in the Sky Digital Media Best Digital Communication category for their Soccer AM style review programme 'The Dons Show', whilst Burnley won the Press Association Sport Best Matchday Programme for their publication 'Claret and You'.

Finally, legend of the game Jimmy Hill OBE was presented with the prestigious Contribution to League Football award. During a football career spanning over six decades, the footballer-turned-broadcaster has influenced and aided numerous aspects of League football and admitted that he was filled with "immense pride" to receive the accolade.

CSI SPORTS COMMUNITY CLUB OF THE YEAR

Championship	Charlton Athletic
League 1	Leyton Orient
League 2	Brentford

MITRE GOAL OF THE YEAR (IN ASSOCIATION WITH SOCCER AM)

Sylvan Ebanks-Blake - Wolverhampton Wanderers

PERFORM BEST FAN MARKETING CAMPAIGN

Preston North End - 'Lilywhites Go Green'

SKY DIGITAL MEDIA BEST DIGITAL COMMUNICATION

Milton Keynes Dons

FOURFOURTWO YOUNG PLAYER OF THE YEAR

Fabian Delph - Leeds United

FOURFOURTWO PLAYER OF THE YEAR

Championship	Sylvan Ebanks-Blake - Wolverhampton Wanderers
League 1	Matt Fryatt - Leicester City
League 2	Grant Holt - Shrewsbury Town

CONTRIBUTION TO LEAGUE FOOTBALL

Jimmy Hill OBE

The 2010 event will take place on Sunday 14th March

THE FOOTBALL LEAGUE TRUST

Significant progress and improving standards continue to be the key focus within both departments of The Football League Trust, which has now completed its second year of operation.

In the field of Youth Development, increasing the maximum central grant to clubs to £180,000 has resulted in the appointment of 48 Technical Development Coaches and almost all clubs are now employing dedicated Youth Administrators

Consultation with clubs and the Football Association led to the Trust devising a central programme of Continual Professional Development (CPD) which will produce fully equipped and resourced coaches. A series of keynote presentations from renowned practitioners and meetings with sports scientists, physiologists and medical experts are ensuring that The League becomes the engine room of player production in the professional game

Last year, 53% of players that received an England call-up across all age groups were developed fully or partly at League Clubs whilst 75% and 50% of U18 and U19 England squads are or have been on the books of our clubs

Last season, 150 professionals in the Premier League and 140 schoolboy and apprentice players registered with top-flight clubs had begun their development with League Clubs

The Trust's Community work saw 66 clubs achieved charitable status whilst 33 were awarded silver level having met increased criteria including the ability to deliver programmes across all four core themes: health, sports participation, education and social inclusion/community cohesion. The introduction of the environment as a core theme is being developed in conjunction with the Environment Agency

Last October, 17 clubs achieved the licence to deliver the Duke of Edinburgh Award and others were funded by the Trust to deliver programmes including child education project 'Miss Dorothy', healthy living campaign 'Fit for Football', social inclusion

project 'Scarf' (Schools, Citizenship, Anti-Racism and Football), the 'Schools History Project' which explores the history of a club socially as well as past players and history of the game, 'Stadium Legends' which links young and old supporters and Olympic inspired legacy project 'Gold Factor'

Altogether, 23 clubs now deliver 'Kickz', more than 50 are involved with the Prince's Trust and 12 are part of the Football Foundation's 'Extra Time' initiative

Over £750,000 was awarded across three years following successful first round bids to the discretionary fund by 16 clubs whilst match funding of more than £22m has been accessed by clubs

Watford and Nottingham Forest are both partners in myplace grants of £4.5m respectively and Norwich City received £580,000 of Youth Sector Development Funding

Two leading projects of The Football League Trust were launched this season – 'Every Player Counts' and 'On Target'. 'Every Player Counts' received £240,000 funding from The FA for its pilot in the North West. It is now supported by the New Football Pools with £2.59m of funding. 36 clubs commenced delivery of this project

The Department for Children, Schools and Families granted £265,000 for the 'On Target' project, initially being undertaken by seven clubs in deprived areas of Bristol, Coventry, Grimsby, Leeds, Sheffield and Rochdale

Charlton Athletic and Grimsby Town were named as Tilley Award winners whilst Southend United were shortlisted at the 'Beyond Sport' awards. Brighton & Hove Albion is a lead training provider on the 'Generations for Peace' project with Charlton, Brentford and Leyton Orient all recognised at the League Awards

Finally, the Trust published its Community Strategy and held a highly successful inaugural conference at the Keepmoat Stadium, Doncaster in June where the then Culture Secretary Andy Burnham MP delivered a keynote speech

FINANCIAL STATEMENTS

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Lord Mawhinney
K Lamb
A Kleanthous
A F Pearson (resigned 3 November 2008)
P D Powell
L Rogers
I R Ritchie
T J Robinson (resigned 11 December 2008)
D R Sheepshanks

SECRETARY

T S Detko

REGISTERED OFFICE

Edward VII Quay
Navigation Way
Preston
PR2 2YF

BANKER

Barclays Bank PLC
PO Box 230
15-33 Moorfields
Liverpool L69 2RU

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 2009

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

BUSINESS REVIEW

Attendances for League matches broke the sixteen million barrier for the fifth consecutive season totalling more than 16.35m in season 2008/09. The League's two showpiece cup competitions also prospered with a 21.2% increase taking Carling Cup attendances above 1.3m with Johnstone's Paint Trophy attendances rising by 13.7% to more than 240,000.

During the year the League concluded its latest 3-year sponsorship agreements with Carling in respect of The Football League Cup and with Johnstone's Paint in respect of The Football League Trophy, both commencing in August 2009.

FINANCIAL REVIEW

Profit and Loss Account

Group turnover for the year at £80.9m was £8.9m higher than in 2008 representing a 12% year on year increase. £7.3m of the increase represents youth development funding previously paid directly to clubs by The Football Association.

Overall the group's total costs including payments made to member clubs increased by £8.5m to £81.8m in 2009. Distributions by The Football League and The Football League Trust to its member clubs have increased from £60.6m in 2008 to £67.5m in 2009 taking into account the increased youth development funding referred to above.

Balance Sheet

Net liabilities at 30 June 2009 amounted to £70k compared to £45k at 30 June 2008. The reduction is due to the retained profit of £172k offset by an actuarial loss of £197k 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 outflow in the year of £21.3m (2008 inflow of £22.6m). After net interest earnings of £0.8m, the group's cash balances reduced by £20.5m to £19.1m at 30 June 2009.

DIRECTORS AND THEIR INTERESTS

The current directors of the company are listed on page 24. The directors who served during the year are listed below. The directors held no beneficial or family interests in the shares of the company in either the current or prior financial year.

N A Doncaster (resigned 19 June 2009)

I R Ritchie

A Kleanthous

T J Robinson

Lord Mawhinney

L Rogers

A F Pearson (appointed 19 June 2009)

D R Sheepshanks

P D Powell

CHARITABLE DONATIONS

During the year the company made charitable donations amounting to £60,000 (2008: £71,600), of which £60,000 (2008: £70,000) 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 AUDITORS

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 auditors are 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 auditors are aware of that information.

AUDITORS

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 October 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 judgments 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 2009 which comprise the Group Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement, the Group Statement of Total Recognised Gains and Losses, the Group and Parent Company Reconciliation of Movements in Shareholders' Funds and the related notes. 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 sections 495 and 496 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 auditors' 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 18, 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 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/UKNP.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 30 June 2009 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, 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.



M Newsholme (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
8 October 2009

CONSOLIDATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 JUNE 2009

	Note	2009 £	2008 £
Group and joint venture's turnover		84,013,161	74,816,599
Less share of joint venture's turnover		(3,078,484)	(2,835,369)
Group turnover	3	80,934,677	71,981,230
Other operating income		142,248	179,312
External charges		(63,873,975)	(56,803,651)
Staff costs	4	(3,003,915)	(2,900,588)
Other operating charges		(14,929,452)	(13,618,853)
Group operating loss	6	(730,417)	(1,162,550)
Share of net operating loss in joint venture and associate		(42,836)	(33,905)
Total operating loss		(773,253)	(1,196,455)
Net interest receivable and similar income			
- Group	7	886,951	1,530,738
- Joint venture and associate		31,518	63,839
Other finance expenses	8	(47,000)	(15,000)
Profit on ordinary activities before taxation		98,216	383,122
Tax on profit on ordinary activities	9	73,768	(73,138)
Profit for the financial year	18	171,984	309,984

All the above results derive from continuing operations

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 30 JUNE 2009

	2009 £	2008 £
Profit for the financial year	171,984	309,984
Actuarial loss relating to the company pension scheme	(249,000)	(955,000)
Deferred tax thereon	52,290	191,000
Total recognised gains and losses relating to the year	(24,726)	(454,016)

CONSOLIDATED BALANCE SHEET 30 JUNE 2009

	Note	2009 £	2009 £	2008 £	2008 £
Fixed assets					
Intangible assets	10		(281,131)		(316,273)
Tangible assets	11		107,618		150,553
Joint venture undertaking					
– Share of gross assets	12	1,549,494		2,171,936	
– Share of gross liabilities	12	(1,542,491)		(2,165,876)	
			7,003		6,060
Investments in associated undertaking	12		53,341		65,602
			(113,169)		(94,058)
Current assets					
Debtors	13	21,214,381		13,220,223	
Cash at bank and in hand		19,107,426		39,656,436	
		40,321,807		52,876,659	
Creditors					
Amounts falling due within one year	14	(27,085,368)		(33,605,451)	
Net current assets			13,236,439		19,271,208
Total assets less current liabilities			13,123,270		19,177,150
Creditors					
Amounts falling due after more than one year	15		(11,954,121)		(18,156,395)
Net assets excluding pension liability			1,169,149		1,020,755
Pension liability	16		(1,238,720)		(1,065,600)
			(69,571)		(44,845)
Capital and reserves					
Called up share capital	17		-		-
Profit and loss account	18		(69,571)		(44,845)
Equity shareholders' funds	19		(69,571)		(44,845)

These financial statements were approved by the Board of Directors on 8 October 2009

Signed on behalf of the Board of Directors



Lord Mawhinney, Director

Company Number 80612

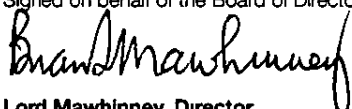
COMPANY BALANCE SHEET

30 JUNE 2009

	Note	2009 £	2009 £	2008 £	2008 £
Fixed assets					
Tangible assets	11		107,618		150,553
Investments	12		650		650
			108,268		151,203
Current assets					
Debtors	13	19,558,878		12,491,435	
Cash at bank and in hand		16,625,086		36,826,530	
		36,183,764		49,317,965	
Creditors					
Amounts falling due within one year	14	(23,954,029)		(30,906,654)	
Net current assets			12,229,735		18,411,311
Total assets less current liabilities			12,338,003		18,562,514
Creditors					
Amounts falling due after more than one year	15		(11,954,121)		(18,156,395)
Net assets excluding pension liability			383,882		406,119
Pension liability	16		(1,238,720)		(1,065,600)
Net liabilities			(854,838)		(659,481)
Capital and reserves					
Called up share capital	17		-		-
Profit and loss account	18		(854,838)		(659,481)
Equity shareholders' funds			(854,838)		(659,481)

These financial statements were approved by the Board of Directors on 8 October 2009

Signed on behalf of the Board of Directors



Lord Mawhinney, Director

CONSOLIDATED CASH FLOW STATEMENT **YEAR ENDED 30 JUNE 2009**

	Note	2009 £	2008 £
Net cash (outflow) / inflow from operating activities	20	(21,304,699)	22,647,308
Returns on investments and servicing of finance	21	804,282	1,555,639
Taxation		(11,209)	(93,423)
Capital expenditure and financial investment	21	(37,384)	(58,458)
Cash (outflow) / inflow before use of liquid resources and financing		(20,549,010)	24,051,066
Financing		-	-
(Decrease) / increase in cash in the year		(20,549,010)	24,051,066
Reconciliation of net cash flow to movement in net funds		2009 £	2008 £
(Decrease) / increase in cash in the year		(20,549,010)	24,051,066
Cash at bank and in hand			
At 1 July 2008		39,656,436	15,605,370
At 30 June 2009		19,107,426	39,656,436

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2009

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 under the historical cost convention and in accordance with applicable United Kingdom accounting standards

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.

Where audited financial accounts are not coterminous with those of the group, the financial information of subsidiary and joint venture undertakings has been derived from the last audited accounts available and 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2009

1 ACCOUNTING POLICIES (CONTINUED)

Deferred taxation

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 costs

Retirement benefits to eligible employees are provided by a defined benefit scheme which is 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 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.

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.

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 18) for the financial year amounted to £1,353 (2008: £629).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2009

3 TURNOVER

Turnover arises from the activities of organising and promoting annual League Football competitions. All turnover arises in the United Kingdom.

The amount of barter transactions for goods and other services recognised in turnover is £752,791 (2008: £809,181).

4 STAFF COSTS

	2009 £	2008 £
Staff costs during the year (including directors)		
Wages and salaries	2,390,609	2,386,547
Social security costs	269,976	265,930
Other pension costs (note 16)	343,330	248,111
	3,003,915	2,900,588

The average monthly number of employees was 59 (2008: 56).

5 DIRECTORS' REMUNERATION

	2009 £	2008 £
The total amounts for directors' remuneration and other benefits were as follows:		
Salaries and fees	155,638	142,500

6 OPERATING LOSS

	2009 £	2008 £
Operating loss is stated after charging/(crediting):		
Auditor's remuneration:		
– Audit fees – Group	33,305	32,552
– Audit fees – Company	26,000	25,460
– Corporation tax compliance	13,000	3,950
– Other tax advice	3,789	10,430
– Other controls compliance	-	3,500
Depreciation of tangible fixed assets	80,319	71,498
Operating leases:		
– Equipment	37,613	40,715
– Other assets	172,965	161,620
Amortisation of goodwill	(35,142)	(35,142)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2009

7 NET INTEREST RECEIVABLE AND SIMILAR INCOME

	2009 £	2008 £
Interest receivable	908,858	1,561,008
Interest payable on ground improvement levies held	(21,907)	(30,270)
	886,951	1,530,738

8 OTHER FINANCE EXPENSES

	2009 £	2008 £
Expected return on pension scheme assets	275,000	240,000
Interest on pension scheme liabilities	(322,000)	(255,000)
	(47,000)	(15,000)

9 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2009 £	2008 £
Current tax		
UK corporation tax	14,658	63,538
Adjustments in respect of prior year	(77,836)	-
Total current tax	(63,178)	63,538
Deferred tax		
Current year	2,730	9,600
Due to change in tax rate	(13,320)	-
	(73,768)	73,138

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

	2009 £	2008 £
Profit on ordinary activities before tax	98,216	383,122
Tax on profit on ordinary activities at small companies' rate of 21% (2008: 20%)	20,625	76,624
Effects of		
Expenses not deductible for tax purposes	4,669	6,569
Difference between depreciation and capital allowances	2,494	2,128
Adjustment in respect of pension contributions	(2,730)	(9,600)
Utilisation of tax losses	(8,580)	-
Other	(1,820)	(12,183)
	14,658	63,538

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2009

10 INTANGIBLE FIXED ASSETS

The Group	Internet and media rights £	Goodwill £	Total £
Cost			
At 1 July 2008 and 30 June 2009	1	(456,842)	(456,841)
Amortisation			
At 1 July 2008	-	140,568	140,568
Negative goodwill written back	-	35,142	35,142
At 30 June 2009	-	175,710	175,710
Net book value			
At 30 June 2009	1	(281,132)	(281,131)
At 30 June 2008	1	(316,274)	(316,273)

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.

11 TANGIBLE FIXED ASSETS

The Group and Company	Improvements to short leasehold premises £	Equipment £	Total £
Cost or valuation			
At 1 July 2008	115,276	651,134	766,410
Additions	-	40,528	40,528
Disposals	-	(3,144)	(3,144)
At 30 June 2009	115,276	688,518	803,794
Accumulated depreciation			
At 1 July 2008	81,057	534,800	615,857
Charge for the year	11,528	68,791	80,319
At 30 June 2009	92,585	603,591	696,176
Net book value			
At 30 June 2009	22,691	84,927	107,618
At 30 June 2008	34,219	116,334	150,553

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2009

12 FIXED ASSET INVESTMENTS

The Group	Joint venture undertaking £	Associate undertaking £	Total £
Cost and net book value			
At 1 July 2008	6,060	65,602	71,662
Share of profit / (loss)	943	(12,261)	(11,318)
At 30 June 2009	7,003	53,341	60,344

The Company	Shares in subsidiaries £
Cost and net book value	
At 1 July 2008 and 30 June 2009	650

The company wholly owns the following subsidiary undertakings, each of which is registered in England and Wales and incorporated in Great Britain

Subsidiary undertakings	Activity
FL Interactive Limited	Provision of internet websites
World-Wide Soccer Limited	Dormant
FL Trust Limited	Funding body

FL Community Limited is a wholly owned subsidiary of FL 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 Limited does not control FL Community Limited and neither The Football League Limited or its member clubs derive any economic benefit from its activities. It is currently in the process of applying for charitable status.

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 was formed on 3 May 2001 and established to develop and maximise profits from the two Leagues 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.

£2,577,911 was payable by Football DataCo Limited to the company in the year. At the year end £477,911 was outstanding.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2009

12 FIXED ASSET INVESTMENTS (CONTINUED)

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 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.

£2,207,767 was payable by the company to Professional Game Match Officials Limited. At the year end £106,733 was outstanding.

Football DataCo Limited and Professional Game Match Officials Limited both have a 31 July year-end 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 2009.

	Football DataCo Limited		Professional Game Match Officials Limited	
	2009 £	2008 £	2009 £	2008 £
Company share of results				
Turnover	3,078,484	2,835,369	2,211,638	2,037,154
Operating (loss) / profit	(23,495)	(46,149)	(19,341)	12,244
Interest receivable and similar income	24,438	46,968	7,080	16,871
Profit before taxation	943	819	(12,261)	29,115
Taxation	-	-	-	-
Profit after taxation	943	819	(12,261)	29,115
Company share of				
Fixed assets	-	-	16,588	16,981
Current assets	1,549,494	2,171,936	1,065,546	1,040,297
Current liabilities - due within one year	(1,542,491)	(2,165,876)	(1,028,793)	(991,676)
Share of net assets	7,003	6,060	53,341	65,602

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2009

13 DEBTORS

	Group 2009 £	2008 £	Company 2009 £	2008 £
Amounts falling due within one year:				
Trade debtors	2,466,684	2,449,988	1,970,462	2,168,270
Club loans	5,662,500	1,710,490	5,662,500	1,710,490
Other debtors	54,341	649,611	24,071	649,611
Prepayments and accrued income	4,380,477	7,377,550	2,989,501	6,575,047
VAT receivable	225,475	-	-	-
Amounts owed by subsidiary undertakings	-	-	487,240	355,433
Amounts owed by joint venture undertaking	477,911	196,835	477,911	196,835
	13,267,388	12,384,474	11,611,685	11,655,686
Amounts falling due after more than one year				
Club loans	7,319,300	-	7,319,300	-
Prepayments and accrued income	627,693	835,749	627,693	835,749
	21,214,381	13,220,223	19,558,678	12,491,435

14 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2009 £	2008 £	Company 2009 £	2008 £
Trade creditors	5,451,117	5,680,832	4,359,401	4,658,200
Ground improvement levies held	308,509	559,335	308,509	559,335
Other creditors	5,102,638	10,193,527	4,809,095	9,946,624
Accruals and deferred income	15,701,892	15,102,770	12,576,378	13,500,045
Other taxation and social security	88,161	73,842	60,301	67,521
VAT payable	417,444	1,905,151	417,444	1,764,963
Corporation tax	15,607	89,994	949	27,964
Amounts due to subsidiary undertaking	-	-	1,421,952	382,002
	27,085,368	33,605,451	23,954,029	30,906,654

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 2009 £	2008 £	Company 2009 £	2008 £
Accruals and deferred income	11,954,121	18,156,395	11,954,121	18,156,395

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2009

16 PENSION LIABILITY

The company operates a pension scheme providing benefits based on final pensionable salaries. The assets of the scheme are held in a separate trustee administered fund. A full actuarial valuation was carried out at 1 August 2007 and this has been updated on a FRS 17 basis to 30 June 2009 by a qualified independent actuary.

The actuarial valuation showed that the market value of the scheme's assets at 1 August 2007 was £3,872,000 and that the actuarial value of those assets represented 88% of the benefits that had accrued to members after allowing for expected future increases in earnings. The contribution rate is being maintained at 23.4% (17.9% for employers and 5.5% for employees effective from 1 August 2005) and it is expected that the deficit will be cleared in 8 years from August 2008.

The major assumptions used in the 2009 valuation were:

	At 30 June 2009	At 30 June 2008	At 30 June 2007
Salary escalation rate	4.5%	4.75%	4.00%
Rate of increase in pensions in payment and deferred pensions	3.5%	3.75%	3.00%
Rate used to discount scheme liabilities	6.4%	6.25%	5.75%
Inflation assumption	3.50%	3.75%	3.00%

Mortality assumptions used in assessing future benefit obligations make allowances for future improvements in longevity and have been determined by reference to applicable mortality statistics and the actuary's expectations. The average life expectancies assumed in the FRS17 valuations are set out below:

Average life expectancy (at 30 June)	2009		2008		2007	
	Male (years)	Female (years)	Male (years)	Female (years)	Male (years)	Female (years)
Member currently aged 60	86.9	89.6	86.8	89.7	85.2	88.1
Member currently aged 45	88.6	91.1	87.2	90.1	84.9	87.8

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

	2009 £	2008 £	2007 £
Equities	1,950,000	2,319,000	2,460,000
Bonds	815,000	919,000	854,000
Property	426,000	521,000	539,000
Cash	30,000	42,000	-
	3,221,000	3,801,000	3,853,000
Present value of scheme liabilities	(4,789,000)	(5,133,000)	(4,278,000)
Net pension liability before deferred tax	(1,568,000)	(1,332,000)	(425,000)
Deferred tax at 21% (2008 and 2007: 20%)	329,280	266,400	85,000
Net pension liability	(1,238,720)	(1,065,600)	(340,000)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2009

16 PENSION LIABILITY (CONTINUED)

The long term expected rate of return expected for the year ended 30 June 2009 is equities 8.75% per annum (2008 7.5%), bonds 6.4% (2008 7%) and property 8% (2008 6%)

	2009 £	2008 £	2007 £
Movement in deficit during the year:			
Deficit in the scheme at start of year	(1,332,000)	(425,000)	(90,000)
Current service costs	(220,000)	(230,000)	(221,000)
Contributions	280,000	293,000	261,000
Other finance income	(47,000)	(15,000)	47,000
Actuarial loss	(249,000)	(955,000)	(422,000)
Deficit in scheme at end of year	(1,568,000)	(1,332,000)	(425,000)

	2009 £	2008 £
Reconciliation of opening and closing balances of the fair value of scheme assets		
Fair value of scheme assets at start of year	3,801,000	3,853,000
Expected return on scheme assets	275,000	243,000
Actuarial gains / (losses)	(943,000)	(626,000)
Contributions by the company	280,000	293,000
Contributions by scheme participants	86,000	89,000
Benefits paid and death in service insurance premiums	(278,000)	(51,000)
Fair value of scheme assets at end of year	3,221,000	3,801,000

Analysis of other pension costs charged to operating profit

	2009 £	2008 £
Current service cost	220,000	230,000
Interest cost	322,000	258,000
Expected return on scheme assets	(275,000)	(243,000)
Total expense recognised in profit and loss	267,000	245,000

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

	2009 £	2008 £
Actual return less expected return on pension scheme assets	(943,000)	(626,000)
Experience gains and losses arising on the scheme liabilities	(10,000)	53,000
Changes in assumptions underlying the present value of the scheme liabilities	704,000	(382,000)
Actuarial loss recognised in STRGL	(249,000)	(955,000)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2009

16 PENSION LIABILITY (CONTINUED)

Amounts for previous years

	2009 £	2008 £	2007 £	2006 £	2005 £
Fair value of scheme assets	3,221,000	3,801,000	3,853,000	3,226,000	N/A
Present value of scheme liabilities	4,789,000	5,133,000	4,278,000	3,316,000	N/A
Deficit in scheme	(1,568,000)	(1,332,000)	(425,000)	(90,000)	N/A
Experience adjustment on scheme assets	(943,000)	(626,000)	61,000	(8,000)	N/A
Experience adjustment on scheme liabilities	(10,000)	53,000	(155,000)	-	N/A

The best estimate of contributions to be paid by the company to the scheme for the period beginning after 30 June 2009 is £280,000

17 CALLED UP SHARE CAPITAL

	2009 £	2008 £
Called up, allotted and nil paid 72 ordinary shares of 5 pence each	-	-
Authorised 100 ordinary shares of 5 pence each	5	5

18 PROFIT AND LOSS ACCOUNT

	Group £	Company £
At 1 July 2008	(44,845)	(659,481)
Profit for the financial year	171,984	1,353
	127,139	(658,128)
Actuarial loss recognised	(249,000)	(249,000)
Deferred tax arising on actuarial loss	52,290	52,290
At 30 June 2009	(69,571)	(854,838)

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009 £	2008 £
The Group		
Opening shareholders' (deficit) / funds	(44,845)	409,171
Profit for the financial year	171,984	309,984
Actuarial loss on company pension scheme	(196,710)	(764,000)
Closing shareholders' deficit	(69,571)	(44,845)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2009

20 RECONCILIATION OF OPERATING LOSS TO NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES

	2009 £	2008 £
Group operating loss	(730,417)	(1,162,550)
Depreciation	80,319	71,498
Goodwill amortisation	(35,142)	(35,142)
Increase in debtors	(7,943,181)	(3,744,681)
(Decrease) / increase in creditors and deferred income	(12,676,278)	27,518,183
Net cash (outflow) / inflow from operating activities	(21,304,699)	22,647,308

21 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2009 £	2008 £
Returns on investments and servicing of finance		
Interest receivable and other similar income	825,689	1,585,909
Interest paid	(21,407)	(30,270)
Net cash inflow from returns on investments and servicing of finance	804,282	1,555,639
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(40,528)	(58,458)
Receipts from sale of tangible fixed assets	3,144	-
Net cash outflow from capital expenditure and financial investment	(37,384)	(58,458)

22 FINANCIAL COMMITMENTS

Capital commitments

There were no capital commitments contracted for but not provided for at 30 June 2009 (2008: £nil)

Operating lease commitments

At 30 June 2009, the Group was committed to making the following payments during the next year in respect of operating leases.

The Group and Company	2009 Land and buildings £	2009 Other £	2008 Land and buildings £	2008 Other £
Leases which expire				
- Within one year	68,000	2,852	76,760	-
- In between two and five years	-	30,767	-	36,380
- In more than five years	114,282	-	61,100	-
	182,282	33,619	137,860	36,380

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2009

23 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.

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

24 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 2009

	2009 £	2008 £	2007 £	2006 £	2005 £
Profit and loss account					
Group turnover	80,934,677	71,981,230	63,041,795	53,228,068	55,958,824
Group operating loss	(730,417)	(1,162,550)	(120,564)	(461,623)	(585,993)
Net interest receivable	886,951	1,530,738	539,961	442,827	325,034
Profit / (loss) before tax	98,216	383,122	469,065	25,251	(221,488)
Profit / (loss) for the financial year	171,984	309,984	380,851	1,121	(211,154)
Balance sheet					
Intangible assets	(281,131)	(316,273)	(351,415)	(386,557)	(421,699)
Tangible fixed assets	107,618	150,553	163,593	154,323	197,993
Fixed asset investments	60,344	71,662	41,728	39,060	35,013
Debtors	21,214,381	13,220,223	9,475,542	16,031,513	6,804,811
Cash at bank and in hand	19,107,426	39,656,436	15,605,370	7,383,754	12,790,934
Creditors: amounts falling due within one year	(27,085,368)	(33,605,451)	(21,385,647)	(17,180,108)	(18,863,318)
Creditors: amounts falling due after more than one year	(11,954,121)	(18,156,395)	(2,800,000)	(5,600,000)	-
Net assets excluding pension liability	1,169,149	1,020,755	749,171	441,985	543,734
Pension liability	(1,238,720)	(1,065,600)	(340,000)	(72,900)	(200,880)
Net (liabilities) / assets	(69,571)	(44,845)	409,171	369,085	342,854

The company adopted Financial Reporting Standard 17 (FRS 17) "Retirement Benefits" in the year ended 30 June 2006 at which time the previous year's figures were restated.