

# **The Football League Limited**

Annual report and consolidated financial statements

Registered number 80612

For the year ended 30 June 2019

SATURDAY



\*A8YUFPYI\*

A04

15/02/2020

#126

COMPANIES HOUSE

**Contents Page**

Officers and professional advisors	1
Strategic Report	2
Directors' Report	5
Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements	7
Independent auditor's report to the members of The Football League Limited	8
Consolidated Profit and Loss Account	11
Consolidated Statement of Comprehensive Income	12
Consolidated Balance Sheet	13
Company Balance Sheet	14
Consolidated Statement of Changes in Equity	15
Company Statement of Changes in Equity	16
Consolidated Cash Flow Statement	17
Notes to the Financial Statements	18

---

## **Officers and professional advisors**

### **DIRECTORS**

M Ashton  
S Bazalgette  
S Curwood  
N Howe  
D A Jevans CBE  
J D Moxey  
J L Nixon  
R N Parry  
S A Pearce

### **SECRETARY**

T S Detko

### **REGISTERED OFFICE**

EFL House  
10-12 West Cliff  
Preston  
PR1 8HU

### **BANKER**

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

### **AUDITOR**

KPMG LLP  
1 St Peter's Square  
Manchester  
M2 3AE

## Strategic Report

The directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006.

### REVIEW OF THE BUSINESS

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 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 English Football League ("EFL"), the Premier League and the National League to EFL Digital Limited.

Attendances at EFL League competitions matches were nearly 18.8 million, 348,000 (1.9%) higher than the previous season's levels. EFL Cup attendances were 12.3% down on those in 2017/18 at 1.28 million whilst EFL Trophy attendances increased by 32.0% to 309,000 in 2018/19.

The 2018/19 season was the sixth year that Sky Bet has been the EFL's title sponsor, an arrangement that remains in place for a further 5 years, and the second year of Carabao's sponsorship of the EFL Cup with their deal now extended until 2022. 2018/19 was the final year of Checkatrade's title sponsorship of the EFL Trophy and Leasing.com were announced as the new sponsor of that competition for the next 3 years in August 2019.

Sky Sports continue to be the EFL's main domestic broadcast partner and a new agreement covering the 5 seasons from 2019/20 through to 2023/24 was entered into in November 2018. In relation to overseas rights, 2018/19 was the second year of Pitch International's current agreement that runs through to the end of season 2021/22.

Following the successful launch of the new digital platform operated by EFL Digital in 2017/18, 2018/19 was the first season that a live domestic stream of certain EFL matches was made available to a domestic audience having been delivered to an overseas audience for the first time in the previous season.

In other matters as reported last year the long running dispute with Queens Park Rangers ("QPR") with regards to the EFL's 2012 Financial Fair Play Rules was settled in early July 2018 with QPR agreeing to pay a fine of £17m in addition to the EFL's costs of £3m as well as agreeing to a number of other measures.

### FINANCIAL REVIEW

#### *Profit and Loss Account*

Group and joint venture's turnover for the year is £160.9m in line with the level achieved in 2018. In addition, as referred to above, £20.4m was receivable as other operating income which was £7.8m higher than the £12.6m achieved in 2018.

Overall the Group's total costs including payments made to member clubs increased by £13.0m (8.0%) to £175.4m in 2019. Distributions payable to member clubs of the EFL have reduced by £6.9m to £117.0m mainly reflecting planned increases in platform costs of the digital operation and increased headcount. In addition, in 2018 Clubs benefitted from a refund of legal costs totalling £3m following the settlement of various FFP disputes.

The Group's loss for the year of £2.7m was driven by the £3.4m fair value loss (2018: £0.8m gain) on the derivative financial instrument net of the related deferred tax credit of £0.8m (£0.1m charge).

#### *Balance Sheet*

Net liabilities at 30 June 2019 amounted to £0.5m compared to net assets of £2.9m at 30 June 2018. The movement is mainly due to the loss for the financial year of £2.7m (2018: £2.6m loss).

## Strategic Report *(continued)*

### Cash Flow

The Group generated a cash inflow from operating activities in the year of £2.2m (2018: £37.9m). After interest earnings of £0.9m and capital expenditure of £1.0m the Group's cash balances increased by £2.1m to £82.9m at 30 June 2019.

### KEY PERFORMANCE INDICATORS

The Group has set specific business objectives which are monitored using a number of key performance indicators ("KPIs"). The relevant KPIs for this report are detailed below:

	2019 £'000	2018 £'000
<b>Financial KPIs:</b>		
Broadcasting Revenues	115,013	114,671
Sponsorship Revenues	22,315	21,796
Revenues from Club branded audio and/or visual services	4,438	3,111
Payments to Clubs	116,954	123,824
	2019 No.	2018 No.
<b>Non-financial KPIs:</b>		
Average League Match Attendance	11,113	10,956
Average Number of Employees	89	78
Number of Employees at year end	94	75

The 58 EFL Clubs (2018: 58) on the EFL Digital platform had 52,398 domestic audio unique customers during the 2018/19 season (2018: 37,909) and 35,984 international streaming unique customers (2018: 9,286) made up of 9,912 season ticket holders and 26,981 match pass holders (2018: 18,051) who between them purchased 85,521 international match passes (2018: 67,876).

With the introduction of the UK Live Streaming product in 2018/19 the 58 EFL Clubs had 58,891 unique customers, who between them purchased 124,498 UK match passes.

### PRINCIPAL RISKS AND UNCERTAINTIES

The Group recognises that effective risk management is fundamental to achieving its business objectives. Risk management contributes to the success of the business by identifying opportunities and anticipating risks in order to improve business performance and fulfil the Group's contractual obligations.

### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the board of directors. The Group does not use derivative financial instruments for speculative purposes.

## **Strategic Report** *(continued)*

### **Cash flow risk**

The Group's overseas broadcasting agreements expose it to the financial risks of changes in foreign currency exchange rates. The Group uses foreign exchange forward contracts to hedge these exposures.

In order to fund the new Website Platform for clubs within EFL Digital Limited, the Company provided a loan of £3,874,273 to EFL Digital Limited which is repayable over the length of the new licence agreements running up to 30 June 2023. At the year end the outstanding balance was £2,416,877 (2018: £2,977,438)

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flow.

The Group's activities do not expose it to material financial risks of changes in interest rates.

### **Credit risk**

The Group's principal financial assets are cash and trade and other receivables.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers. Credit risk is also managed through a thorough due diligence process prior to completion of all contract agreements in addition to a strict credit control policy.

### **Liquidity risk**

To ensure that sufficient funds are available for ongoing operations and future developments, the company maintains a strong invoicing and credit control policy.

## **FUTURE DEVELOPMENTS**

The directors are satisfied with the Group's financial position for the foreseeable future given the broadcast agreements the EFL has in place with both Sky Sports to the end of season 2023/24 and with Pitch International to the end of season 2021/22.

Details of any significant events since the balance sheet date are contained in note 24 to the financial statements.



**D A Devans**  
Director

EFL House  
10-12 West Cliff  
Preston  
PR1 8HU  
10 October 2019

## Directors' Report

The directors present their annual report and the audited consolidated financial statements for the year ended 30 June 2019.

### GOING CONCERN

The directors have a reasonable expectation that the group and company have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in note 1 of the financial statements.

### DIVIDENDS

The directors do not recommend the payment of a dividend (2018: £nil).

### STRATEGIC REPORT

Disclosures required by s416(4) of the Companies Act 2006 which have been included within the Strategic Report on pages 2 to 4 are:

- Financial risk management objectives and policies;
- Future developments; and
- Events which have occurred since the end of the financial year.

### DIRECTORS AND THEIR INTERESTS

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

M Ashton  
S Bazalgette (appointed 1 March 2019)  
S Curwood (appointed 13 June 2019)  
C Crown (resigned 13 June 2019)  
S Gamble (resigned 13 June 2019)  
S A Harvey (resigned 1 July 2019)  
N Howe  
J D Moxey (appointed 13 June 2019)  
D A Jevans CBE  
I F Lenagan (resigned 6 September 2018)  
J L Nixon  
R N Parry (appointed 7 October 2019)  
S A Pearce (appointed 13 June 2019)  
J R Rodwell (resigned 13 June 2019)  
I C Watmore (resigned 30 November 2018)

### 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.

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

**Directors' Report** *(continued)*

**AUDITOR**

- In accordance with Section 485 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the board of directors and signed on behalf of the board.



D A Jevans  
Director

EFL House  
10-12 West Cliff  
PRESTON  
PR1 8HU  
10 October 2019



## **Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements**

The directors are responsible for preparing the Strategic Report, 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 group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of their profit or loss for that period. In preparing each of the group and parent company 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;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



KPMG LLP

1 St. Peter's Square

Manchester

M2 3AE

United Kingdom

## **Independent auditor's report to the members of The Football League Limited**

### **Opinion**

We have audited the financial statements of The Football League Limited ("the company") for the year ended 30 June 2019 which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and related notes, including the accounting policies in note 1.

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 2019 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **The impact of uncertainties due to the UK exiting the European Union on our audit**

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors such as the carrying value of assets and liabilities and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model, including the impact of Brexit, and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the company will continue in operation.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



**Christopher Martin (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP**  
*Chartered Accountants*  
1 St Peter's Square  
Manchester  
M2 3AE

**15** October 2019

**Consolidated Profit and Loss Account**  
*For the year ended 30 June 2019*

	Note	2019 Underlying £	2019 Fair Value movement <sup>(1)</sup> £	2019 Total £	2018 Total £
<b>Group and joint venture's turnover</b>		<b>160,928,901</b>	-	<b>160,928,901</b>	160,543,676
Less: share of joint venture's turnover		(7,370,502)	-	(7,370,502)	(8,618,037)
<b>Group turnover</b>	3	<b>153,558,399</b>	-	<b>153,558,399</b>	151,925,639
Other operating income	6	20,407,223	-	20,407,223	12,550,800
External charges		(145,779,504)	-	(145,779,504)	(137,694,625)
Staff costs	4	(5,711,595)	-	(5,711,595)	(4,597,829)
Other operating charges		(23,953,119)	-	(23,953,119)	(20,126,201)
<b>Group operating (loss)/profit</b>	6	<b>(1,478,596)</b>	-	<b>(1,478,596)</b>	2,057,784
Share of net operating profit/(loss) in joint venture and associate		291,505	-	291,505	(6,779)
<b>Total operating (loss)/profit</b>		<b>(1,187,091)</b>	-	<b>(1,187,091)</b>	2,051,005
Fair value movement in derivative financial instrument		-	(3,350,043)	(3,350,043)	792,236
Net interest receivable and similar income					
- Group	7	910,686	-	910,686	502,824
- Joint venture and associate		8,301	-	8,301	9,376
Other finance expenses	8	(167,000)	-	(167,000)	(166,000)
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(435,104)</b>	<b>(3,350,043)</b>	<b>(3,785,147)</b>	3,189,441
Tax on (loss)/profit on ordinary activities	9				
- Group		296,189	793,585	1,089,774	(544,243)
- Joint venture and associate		(854)	-	(854)	3,306
<b>(Loss)/profit for the financial year</b>		<b>(139,769)</b>	<b>(2,556,458)</b>	<b>(2,696,227)</b>	2,648,504

All the above results derive from continuing operations.

- (1) The Group makes payments to Clubs calculated on the basis of underlying performance. Underlying performance is defined as total results adjusted to exclude the fair value movement in derivative financial instruments which have been disclosed as a separate column on the profit and loss account as it is believed that the underlying results represent the true trading performance of the Group. A separate column has not been presented to show the results for the period to 30 June 2018.

As the Group has not adopted hedge accounting under Sections 11 and 12 of FRS 102, the fair value movement in derivative financial instruments of £3,350,043 (2018: £792,236) is shown within the profit and loss account. The tax credit of £793,585 (2018: £134,680 charge) arises due to the deferred tax liability recognised in relation to the movement in the derivative financial instrument. The underlying profit for the period to 30 June 2018 was £1,990,948 with the fair value movement being £657,556.

The accompanying notes on pages 18 to 38 form part of the financial statements.

## Consolidated Statement of Comprehensive Income

For the year ended 30 June 2019

	Note	2019 Underlying £	2019 Fair Value movement(1) £	2019 Total £	2018 Total £
<b>(Loss)/profit for the financial year</b>		<b>(139,769)</b>	<b>(2,556,458)</b>	<b>(2,696,227)</b>	2,648,504
Re-measurement of the defined benefit liability	16	(903,000)	-	(903,000)	39,000
Deferred tax on the re-measurement of the defined benefit liability		153,510	-	153,510	(6,630)
<b>Other comprehensive (loss) /income for the year, net of income tax</b>		<b>(749,490)</b>	<b>-</b>	<b>(749,490)</b>	32,370
<b>Total comprehensive (loss)/income for the year</b>		<b>(889,259)</b>	<b>(2,556,458)</b>	<b>(3,445,717)</b>	2,680,874

- (1) The Group makes payments to Clubs calculated on the basis of underlying performance. Underlying performance is defined as total results adjusted to exclude the fair value movement in derivative financial instruments which have been disclosed as a separate column on the profit and loss account as it is believed that the underlying results represent the true trading performance of the Group. A separate column has not been presented to show the results for the period to 30 June 2018.

As the Group has not adopted hedge accounting under Sections 11 and 12 of FRS 102, the fair value movement in derivative financial instruments of £3,350,043 (2018: £792,236) is shown within the profit and loss account. The tax credit of £793,585 (2018: £134,680 charge) arises due to the deferred tax liability recognised in relation to the movement in the derivative financial instrument. The underlying profit for the period to 30 June 2018 was £1,990,948 with the fair value movement being £657,556.

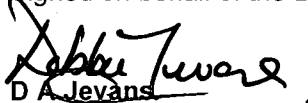
The accompanying notes on pages 18 to 38 form part of the financial statements.

**Consolidated Balance Sheet**  
**As at 30 June 2019**

	Note	2019 £	2019 £	2018 £	2018 £
<b>Fixed assets</b>					
Intangible assets	10		<b>4,319,042</b>		4,653,539
Tangible assets	11		<b>3,667,566</b>		3,453,704
Investments					
Investments in joint ventures					
Share of gross assets	12	<b>2,088,457</b>		4,018,986	
Share of gross liabilities	12	<b>(2,076,875)</b>		(4,007,628)	
			<b>11,582</b>		11,358
Other investments	12		<b>611,816</b>		313,088
			<b>8,610,006</b>		8,431,689
<b>Current assets</b>					
Debtors (including £15,054,243 (2018: £3,716,559) due after more than one year)	13	<b>130,692,281</b>		109,903,273	
Cash at bank and in hand		<b>82,883,275</b>		80,734,118	
Derivative financial instruments	22	<b>376,057</b>		4,220,708	
		<b>213,951,613</b>		194,858,099	
<b>Creditors:</b> amounts falling due within one year	14	<b>(160,301,411)</b>		(153,702,552)	
<b>Net current assets</b>			<b>53,650,202</b>		41,155,547
<b>Total assets less current liabilities</b>			<b>62,260,208</b>		49,587,236
<b>Creditors:</b> amounts falling due after more than one year	15		<b>(57,039,490)</b>		(41,830,801)
<b>Net assets</b> excluding pension liability			<b>5,220,718</b>		7,756,435
<b>Provisions for liabilities</b>					
Pension liability	16		<b>(5,742,000)</b>		(4,832,000)
<b>Net (liabilities)/assets</b>			<b>(521,282)</b>		2,924,435
<b>Capital and reserves</b>					
Called up share capital	17		-		-
Profit and loss account			<b>(521,282)</b>		2,924,435
<b>Equity shareholders' (deficit)/funds</b>			<b>(521,282)</b>		2,924,435

These financial statements were approved by the Board of Directors on 10 October 2019.

Signed on behalf of the Board of Directors

  
D A Jevans  
Director

The accompanying notes on pages 18 to 38 form part of the financial statements.

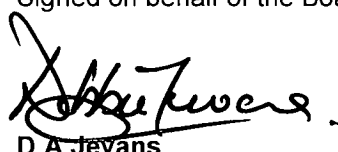
## Company Balance Sheet

As at 30 June 2019

	Note	2019 £	2019 £	2018 £	2018 £
<b>Fixed assets</b>					
Intangible assets					
Other intangibles	10		67,698		57,443
Tangible assets	11		3,667,566		3,453,704
Investments	12		349,885		349,885
			<u>4,085,149</u>		<u>3,861,032</u>
<b>Current assets</b>					
Debtors (including £16,893,615 (2018: £6,133,436) due after more than one year)	13	133,648,484		112,876,568	
Cash at bank and in hand		81,235,816		77,976,727	
Derivative financial assets	22	376,057		4,220,708	
		<u>215,260,357</u>		<u>195,074,003</u>	
<b>Creditors:</b> amounts falling due within one year	14	(159,150,881)		(151,698,122)	
<b>Net current assets</b>			<u>56,109,476</u>		<u>43,375,881</u>
<b>Total assets less current assets</b>			<u>60,194,625</u>		<u>47,236,913</u>
<b>Creditors:</b> amounts falling due after more than one year	15		(57,039,490)		(41,830,801)
<b>Net assets</b> excluding pension liability			<u>3,155,135</u>		<u>5,406,112</u>
<b>Provisions for liabilities</b>					
Pension liability	16		(5,742,000)		(4,832,000)
<b>Net (liabilities)/assets</b>			<u>(2,586,865)</u>		<u>574,112</u>
<b>Capital and reserves</b>					
Called up share capital	17		-		-
Profit and loss account			(2,586,865)		574,112
<b>Equity shareholders' (deficit)/funds</b>			<u>(2,586,865)</u>		<u>574,112</u>

These financial statements were approved by the Board of Directors on 10 October 2019.

Signed on behalf of the Board of Directors

  
D A Jevans

Director

The accompanying notes on pages 18 to 38 form part of the financial statements.



## Consolidated Statement of Changes in Equity

	Called up Share capital £	Profit and loss account £	Total equity £
Balance at 1 July 2017	-	243,561	243,561
<b>Total comprehensive income for the period</b>			
Profit for the financial year	-	2,648,504	2,648,504
Other comprehensive income:			
Re-measurement of the defined benefit liability	-	39,000	39,000
Deferred tax on defined benefit liability	-	(6,630)	(6,630)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	2,680,874	2,680,874
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 June 2018</b>	<b>-</b>	<b>2,924,435</b>	<b>2,924,435</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	Called up Share capital £	Profit and loss account £	Total equity £
Balance at 1 July 2018	-	2,924,435	2,924,435
<b>Total comprehensive loss for the period</b>			
Loss for the financial year	-	(2,696,227)	(2,696,227)
Other comprehensive loss:			
Re-measurement of the defined benefit liability	-	(903,000)	(903,000)
Deferred tax on defined benefit liability	-	153,510	153,510
	<hr/>	<hr/>	<hr/>
Total comprehensive loss for the period	-	(3,445,717)	(3,445,717)
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 June 2019</b>	<b>-</b>	<b>(521,282)</b>	<b>(521,282)</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes on pages 18 to 38 form part of the financial statements.

## Company Statement of Changes in Equity

	Called up Share capital £	Profit and loss account £	Total equity £
Balance at 1 July 2017	-	(1,034,899)	(1,034,899)
<b>Total comprehensive income for the period</b>			
Profit for the financial year	-	1,576,641	1,576,641
Other comprehensive income:			
Re-measurement of the net defined benefit liability	-	39,000	39,000
Deferred tax on defined benefit liability	-	(6,630)	(6,630)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	1,609,011	1,609,011
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 June 2018</b>	<b>-</b>	<b>574,112</b>	<b>574,112</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	Called up Share capital £	Profit and loss account £	Total equity £
Balance at 1 July 2018	-	574,112	574,112
<b>Total comprehensive loss for the period</b>			
Loss for the financial year	-	(2,411,487)	(2,411,487)
Other comprehensive income:			
Re-measurement of the defined benefit liability	-	(903,000)	(903,000)
Deferred tax on defined benefit liability	-	153,510	153,510
	<hr/>	<hr/>	<hr/>
Total comprehensive loss for the period	-	(3,160,977)	(3,160,977)
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 June 2019</b>	<b>-</b>	<b>(2,586,865)</b>	<b>(2,586,865)</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes on pages 18 to 38 form part of the financial statements.

**Consolidated Cash Flow Statement**  
*For year ended 30 June 2019*

	2019 £000	2018 £000
<b>Cash flows from operating activities</b>		
(Loss)/profit for the year	(2,696,227)	2,648,504
<i>Adjustments for:</i>		
Depreciation, amortisation and impairment	1,335,567	1,116,626
Net interest receivable and similar income	(918,987)	(512,200)
Other finance expenses	167,000	166,000
Share of net operating (profit)/loss in joint venture	(291,505)	6,779
Deferred tax movement	(868,118)	320,520
Fair value loss/(gain) on derivative financial instrument	3,350,043	(792,236)
Increase in trade and other debtors	(20,125,704)	(83,172,417)
Increase in trade and other creditors	22,507,649	117,879,330
Corporation tax movement	(219,125)	220,416
<b>Net cash from operating activities</b>	<b>2,240,593</b>	<b>37,881,322</b>
<b>Cash flows from investing activities</b>		
Interest received	910,686	708,287
Acquisition of tangible fixed assets	(300,138)	(40,907)
Capitalised development expenditure	(701,984)	(1,095,644)
<b>Net cash from investing activities</b>	<b>(91,436)</b>	<b>(428,264)</b>
<b>Cash flows from financing activities</b>		
Interest paid	-	-
<b>Net cash from financing activities</b>	<b>-</b>	<b>-</b>
 Net increase in cash and cash equivalents	 <b>2,149,157</b>	 <b>37,453,058</b>
Cash and cash equivalents at 1 July 2018	<b>80,734,118</b>	<b>43,281,060</b>
<b>Cash and cash equivalents at 30 June 2019</b>	<b>82,883,275</b>	<b>80,734,118</b>

The accompanying notes on pages 18 to 38 form part of the financial statements.

## Notes to the Financial Statements

*For the year ended 30 June 2019*

### 1. ACCOUNTING POLICIES

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

#### **Basis of preparation**

The Football League Limited (the "Company") is a Company limited by shares and incorporated and domiciled in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 2 to 4.

The functional currency of The Football League Limited is considered to be pounds sterling because that is the primary economic environment in which the Company operates.

The financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial reporting Standard* applicable in the UK and Republic of Ireland ("FRS102").

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company Cash Flow Statement with related notes is included; and
- Key Management Personnel compensation has not been included a second time.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### **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. Control is achieved when the Company has the ability and right, directly or indirectly, to govern the financial and operating policies of an entity. This is evidence for all of the Group's subsidiaries. Acquisitions are accounted for under the acquisition method. 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.

## Notes *(continued)*

### 1. ACCOUNTING POLICIES *(continued)*

#### Going concern

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The Strategic Report and the Directors' Report further describe the financial position of the group, its cash flows, liquidity position and borrowing facilities; the group's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposure to credit risk and liquidity risk.

The group has net liabilities of £521,282 as at 30 June 2019. The Group makes distributions to its members after accounting for all known and future costs and as a result is able to successfully manage its day to day obligations and cash resources. 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 as set out in the Strategic Report on pages 2 to 4.

As a consequence, the directors believe that the group is well placed to manage its business risks successfully. 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.

#### Intangible assets - Website research and development costs

In accordance with FRS 102, website design and development costs are capitalised as intangible assets, only to the extent that the directors are satisfied as to the technical, commercial and financial viability of the individual project. If there is insufficient evidence on which to base reasonable estimates of the economic benefits that will be generated in the period until the design and content are next updated, the costs of developing the design and content are charged to the profit and loss account as incurred. Website research expenditure is written off as incurred.

All development costs attached to the new platform have been capitalised and will be depreciated up to 30 June 2023.

Capitalised intangible fixed assets are stated at cost, net of amortisation and any provision for impairment. Amortisation on intangible fixed assets is calculated on a straight line basis and aims to write down their cost over the period during which the company is expected to benefit as follows:

Website Development Costs	0 to 6 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	Period of lease
Equipment	4 to 10 years
Motor vehicles	4 years

## **Notes** *(continued)*

### **1. ACCOUNTING POLICIES (continued)**

#### **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.

In the group financial statements, investments in associates are accounted for using the equity method. Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect 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 statement of changes in equity.

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. Any unamortised balance of goodwill is included in the carrying value of the investments.

In the Company financial statements investments in associates are accounted for at cost less impairment.

#### **Basic financial instruments**

##### *Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

##### *Derivative financial instruments*

The Company uses derivative financial instruments to reduce exposure to foreign exchange risk. The Company does not hold or issue derivative financial instruments for speculative purposes. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured at their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately.

#### **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** *(continued)*

### **1. ACCOUNTING POLICIES** *(continued)*

#### **Taxation**

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

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

The credit for taxation is based on the loss 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.

Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Payments to Clubs are recorded as External Charges in the year in which the related revenue is recognised.

#### **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.

#### **Foreign currency**

Transactions in foreign currency are recorded at the rate of exchange at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Other exchange differences are recognised in profit or loss in the period in which they arise.

#### **Operating lease arrangements**

##### *The Group as a lessee*

Rental applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits equally over the life of the lease, even if payments are not made on such a basis.

##### *The Group as a lessor*

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

## Notes (continued)

### 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 loss for the financial year amounted to £2,411,487 (2018: profit £1,576,641).

### 3. TURNOVER

Turnover arises from the activities of organising and promoting annual League Football competitions.

The amount of barter transactions for goods and other services recognised in turnover is £1,379,000 (2018: £1,665,667).

All turnover arises in the United Kingdom, with the exception of £26,667,487 (2018: £26,423,423) which arises from the sale of television rights to worldwide broadcasters for worldwide transmission and overseas customers purchasing subscriptions to the iFollow product. All of the Group's assets are held in the United Kingdom.

### 4. STAFF COSTS

	2019 £	2018 £
Staff costs during the year (including directors):		
Wages and salaries	4,707,420	3,764,085
Social security costs	609,545	478,508
Other pension costs	394,630	355,236
	<u>5,711,595</u>	<u>4,597,829</u>

The average monthly number of employees was 89 (2018: 78).

### 5. DIRECTORS' REMUNERATION

	2019 £	2018 £
The total amounts for directors' remuneration and other benefits were as follows:		
Salaries	687,231	597,083
Severance payments	511,658	-
	<u>1,198,889</u>	<u>597,083</u>

In addition, pension contributions of £30,750 (2018: £30,000) were made on behalf of one of the directors.

Severance payments totalling £511,658 were made to one director who resigned from office after 30 June 2019.

#### Remuneration of the highest paid director:

	2019 £	2018 £
Aggregate emoluments (excluding severance payments)	<u>464,449</u>	<u>418,724</u>

In addition, the highest paid director is a member of the Company's defined contribution pension scheme and during the year pension contributions of £30,750 (2018: £30,000) were made on behalf of the director.



## Notes (continued)

### 6. OPERATING (LOSS)/PROFIT

	2019 £	2018 £
<b>Operating (loss)/profit is stated after charging/(crediting):</b>		
Fees payable to the Company's auditor for the audit of the annual accounts		
- Group	51,300	44,575
- Company	43,000	37,100
Fees payable to the Company's auditor for other services to the Group		
- Corporation tax compliance	10,500	5,950
- Other services	7,660	38,050
Depreciation of tangible fixed assets	253,442	216,808
Amortisation of other intangible fixed assets	1,082,125	899,818
Operating lease rentals	269,805	161,497
Fair value movement in derivative financial instrument	3,350,043	792,236
Other operating income	<u>(20,407,223)</u>	<u>(12,550,800)</u>

Other operating income includes a FFP Settlement of £20m reached with Queens Park Rangers. The 2018 amount included FFP settlements totalling £7.85m reached with both AFC Bournemouth and Leicester City in addition to a fine levied by an EFL Disciplinary Commission on Watford of £4.3m as a result of a breach of EFL Regulations.

### 7. NET INTEREST RECEIVABLE AND SIMILAR INCOME

	2019 £	2018 £
Interest receivable	<u>910,686</u>	<u>502,824</u>

### 8. OTHER FINANCE EXPENSES

	2019 £	2018 £
Net interest expense on net defined benefit liabilities	133,000	134,000
Pension Administration Expenses	34,000	32,000
	<u>167,000</u>	<u>166,000</u>

### 9. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2019 £	2018 £
<i>Current tax:</i>		
UK corporation tax	(107,821)	223,724
Adjustments in respect of prior periods	(112,981)	-
Total current tax	(220,802)	223,724
<i>Deferred tax:</i>		
Origination/reversal of timing differences	(1,021,628)	327,149
Total deferred tax	(1,021,628)	327,149
<b>Total tax</b>	<u>(1,242,430)</u>	<u>550,873</u>

**Notes** (continued)

**9. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES (continued)**

	£000	£000	2019 £000	£000	£000	2018 £000
	Current tax	Deferred tax	Total tax	Current tax	Deferred tax	Total tax
Recognised in Profit and loss account	(220,802)	(868,118)	(1,088,920)	223,724	320,519	544,243
Recognised in other comprehensive income	-	(153,510)	(153,510)	-	6,630	6,630
Total tax	<u>(220,802)</u>	<u>(1,021,628)</u>	<u>(1,242,430)</u>	<u>223,724</u>	<u>327,149</u>	<u>550,873</u>

The corporation tax credit 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:

	2019 £	2018 £
(Loss)/profit for the year	(2,696,227)	2,648,504
Total tax (credit)/charge	<u>(1,088,920)</u>	<u>544,243</u>
(Loss)/profit before taxation	<u>(3,785,147)</u>	<u>3,192,747</u>
Tax on (loss)/profit on ordinary activities at 19% (2018: 19%)	(719,178)	606,622
Non-deductible expenses	8,551	4,926
Adjustment to tax charge in respect of previous periods	(112,981)	-
Other	<u>(265,312)</u>	<u>(67,305)</u>
	<u>(1,088,920)</u>	<u>544,243</u>

A deferred tax credit of £793,585 has been recognised at 30 June 2019 (2018: £134,680 charge) in relation to a fair value loss on derivative financial instruments of £3,350,043 (2018: gain £792,236) of which the full amount has been disregarded in the computation of current tax. The recognition of derivative financial instruments on the balance sheet is in accordance with FRS 102.

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

**Notes** *(continued)*

**10. INTANGIBLE FIXED ASSETS**

**The Group**

	Website Develop- ment costs £	Internet and media rights £	Total £
<b>Cost</b>			
At 1 July 2018	5,680,546	1	5,680,547
Additions	747,628	-	747,628
At 30 June 2019	6,428,174	1	6,428,175
<b>Amortisation</b>			
At 1 July 2018	1,027,008	-	1,027,008
Amortisation charge	1,082,125	-	1,082,125
At 30 June 2019	2,109,133	-	2,109,133
<b>Net book value</b>			
At 30 June 2019	4,319,041	1	4,319,042
At 1 July 2018	4,653,538	1	4,653,539

**The Company**

	Website Develop- ment costs £	Total £
<b>Cost</b>		
At 1 July 2018	193,206	193,206
Additions	42,563	42,563
At 30 June 2019	235,769	235,769
<b>Amortisation</b>		
At 1 July 2018	135,763	135,763
Amortisation charge	32,308	32,308
At 30 June 2019	168,071	168,071
<b>Net book value</b>		
At 30 June 2019	67,698	67,698
At 1 July 2018	57,443	57,443

**Notes** (continued)

**11. TANGIBLE FIXED ASSETS**

<b>The Group</b>	<b>Improvements to short leasehold premises £</b>	<b>Equipment £</b>	<b>Land &amp; Buildings £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 July 2018	209,138	2,185,075	2,566,902	<b>4,961,115</b>
Additions	125,410	112,919	228,975	<b>467,304</b>
At 30 June 2019	<u>334,548</u>	<u>2,297,994</u>	<u>2,795,877</u>	<u><b>5,428,419</b></u>
<b>Depreciation</b>				
At 1 July 2018	153,825	1,291,475	62,111	<b>1,507,411</b>
Charge for the year	10,992	193,710	48,740	<b>253,442</b>
At 30 June 2019	<u>164,817</u>	<u>1,485,185</u>	<u>110,851</u>	<u><b>1,760,853</b></u>
<b>Net book value At 30 June 2019</b>	<u>169,731</u>	<u>812,809</u>	<u>2,685,026</u>	<u><b>3,667,566</b></u>
At 1 July 2018	<u>55,313</u>	<u>893,600</u>	<u>2,504,791</u>	<u><b>3,453,704</b></u>

<b>The Company</b>	<b>Improvements to short leasehold premises £</b>	<b>Equipment £</b>	<b>Land &amp; Buildings £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 July 2018	209,138	2,181,196	2,566,902	<b>4,957,236</b>
Additions	125,410	112,919	228,975	<b>467,304</b>
At 30 June 2019	<u>334,548</u>	<u>2,294,115</u>	<u>2,795,877</u>	<u><b>5,424,540</b></u>
<b>Depreciation</b>				
At 1 July 2018	153,825	1,287,596	62,111	<b>1,503,532</b>
Charge for the year	10,992	193,710	48,740	<b>253,442</b>
At 30 June 2019	<u>164,817</u>	<u>1,481,306</u>	<u>110,851</u>	<u><b>1,756,974</b></u>
<b>Net book value At 30 June 2019</b>	<u>169,731</u>	<u>812,809</u>	<u>2,685,026</u>	<u><b>3,667,566</b></u>
At 30 June 2018	<u>55,313</u>	<u>893,600</u>	<u>2,504,791</u>	<u><b>3,453,704</b></u>

## Notes (continued)

### 12. FIXED ASSET INVESTMENTS

The Group	Joint venture undertaking £	Associate undertaking £	Total £
<b>Cost and net book value</b>			
At 1 July 2018	11,358	313,088	324,446
Share of profit	224	298,728	298,952
<b>At 30 June 2019</b>	<b>11,582</b>	<b>611,816</b>	<b>623,398</b>

The Company	Shares in subsidiary undertaking £	Discounting on loan to subsidiary undertaking £	Total £
<b>Cost and net book value</b>			
At 1 July 2018 and 30 June 2019	550	349,335	349,885

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
EFL Digital Limited	Provision of internet websites	100%
The Football League Trust Limited	Dormant	100%

The Football League (Community) Limited is the sole member of The Football League Trust Limited and is registered in England and Wales and incorporated in Great Britain. It uses the power of sport to improve lives and make a positive contribution to communities all over the country, using its network of EFL club trusts. 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 as it does not have the voting rights to have control over the Football League (Community) Limited board or the power to remove or appoint trustees in order to gain such control. The total income of Football League (Community) Limited for the year ended 30 June 2019 was £19,504,359 (2018: £17,796,000) with distributions and expenditure totalling £17,523,865 (2018: £17,438,000). Unrestricted funds as at 30 June 2019 amounted to £4,433,384 (2018: £2,483,709). £109,435 (2018: £104,223) was payable by The Football League (Community) Limited to The Football League Limited at the year end which is held within other debtors. £200,000 (2018: £117,283) was payable by The Football League Limited to The Football League (Community) Limited at the year end which is held within other creditors.

FLT Community Trading Limited 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 commercial partners which were distributed to the community schemes on the partners' behalf, throughout the year, with any surplus gifted to The Football League (Community) Limited. Consolidated accounts, at a Football League (Community) Limited level, are prepared and filed at Companies House, Crown Way, Cardiff, CF14 3UZ. The total turnover of FLT Community Trading Limited for the year ended 30 June 2019 was £586,000 (2018: £806,966) with distributions and expenditure totalling £563,706 (2018: £768,412).

## **Notes** *(continued)*

### **12. FIXED ASSET INVESTMENTS** *(continued)*

The operating profit of £22,294 (2018: £38,554) 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.

#### **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.

£4,730,957 was payable by Football DataCo Limited to the company in the year. At the year end £980,957 was outstanding (2018: £1,544,768).

#### **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.

£3,611,755 was payable by the company to Professional Game Match Officials Limited. At the year end £44,649 was due to the Company by Professional Game Match Officials Limited (2018: £134,526 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 2019.

## Notes (continued)

### 12. FIXED ASSET INVESTMENTS (continued)

	Football DataCo Limited		Professional Game Match Officials Limited	
	2019	2018	2019	2018
	£	£	£	£
<b>Company share of results</b>				
Turnover	<b>7,370,502</b>	8,618,037	<b>6,911,067</b>	6,014,485
Operating profit/(loss)	<b>697</b>	(3,845)	<b>290,808</b>	(2,934)
Interest receivable and similar income	-	4,364	<b>8,301</b>	5,012
Profit before taxation	<b>697</b>	519	<b>299,109</b>	2,078
Taxation	<b>(473)</b>	(436)	<b>(381)</b>	3,742
Profit after taxation	<b>224</b>	83	<b>298,728</b>	5,820
<b>Company share of:</b>				
Fixed assets	-	-	<b>17,473</b>	18,552
Current assets	<b>2,088,457</b>	4,018,986	<b>2,016,251</b>	1,723,391
Current liabilities – due within one year	<b>(2,076,875)</b>	(4,007,628)	<b>(1,421,908)</b>	(1,428,855)
Share of net assets	<b>11,582</b>	11,358	<b>611,816</b>	313,088

### 13. DEBTORS

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Amounts receivable within one year:				
Trade debtors	<b>87,452,307</b>	75,724,212	<b>87,436,949</b>	75,720,261
Other debtors	<b>4,337,392</b>	4,792,343	<b>4,337,314</b>	4,712,074
Prepayments and accrued income	<b>22,429,364</b>	24,125,391	<b>22,180,612</b>	23,943,863
VAT receivable	<b>147,420</b>	-	-	-
Deferred tax	<b>73,342</b>	-	-	-
Corporation tax	<b>107,821</b>	-	<b>38,098</b>	-
Amounts owed by subsidiary undertaking	<b>109,435</b>	-	<b>1,163,434</b>	261,605
Loan owed by subsidiary undertaking	-	-	<b>577,505</b>	560,562
Amounts owed by joint venture undertaking	<b>980,957</b>	1,544,768	<b>980,957</b>	1,544,768
	<b>115,638,038</b>	106,186,714	<b>116,754,869</b>	109,118,133
Amounts receivable after more than one year				
Other debtors	<b>13,600,000</b>	2,375,000	<b>13,600,000</b>	2,375,000
Loan owed by subsidiary undertaking	-	-	<b>1,839,372</b>	2,416,876
Prepayments and accrued income	<b>478,103</b>	520,119	<b>478,103</b>	520,119
Deferred tax asset	<b>976,140</b>	821,440	<b>976,140</b>	821,440
	<b>130,692,281</b>	109,903,273	<b>133,648,484</b>	112,876,568

## Notes (continued)

### 13. DEBTORS (continued)

The deferred tax asset is made up of deferred tax on the Company pension scheme of £976,140 (2018: £821,440).

EFL Digital has a loan of £2,416,877 (2018: £2,977,438) with The Football League Limited which is repayable over the length of the EFL Digital licence agreements running up to 30 June 2023.

### 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	1,302,824	831,909	956,242	790,219
Amounts due to subsidiary undertaking	-	-	689,155	18,730
Other creditors	10,808,868	19,386,248	10,808,868	19,386,248
VAT payable	12,585,669	9,930,781	12,585,669	9,816,593
Corporation Tax	-	112,158	-	24,345
Deferred Tax	63,930	857,516	63,930	857,516
Other taxation and social security	-	6,204	-	6,204
Accruals and deferred income	135,540,120	122,577,736	134,047,017	120,798,267
	<u>160,301,411</u>	<u>153,702,552</u>	<u>159,150,881</u>	<u>151,698,122</u>

The deferred tax liability is made up of deferred tax on the fair value gain arising from the Group's derivative financial instrument.

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

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Accruals and deferred income	<u>57,039,490</u>	<u>41,830,801</u>	<u>57,039,490</u>	<u>41,830,801</u>



## Notes (continued)

### 16. PENSION COMMITMENTS

#### Defined benefit scheme

The group operates a defined benefit pension scheme which was closed to new entrants from 1 March 2010. A full actuarial valuation was carried out as at 1 August 2016 by a qualified actuary, independent of the scheme's sponsoring employer.

During the year to 30 June 2019, the group paid contributions at the rate of 10.5% of pensionable pay and monthly deficit contributions of £13,186 (£12,777 monthly up to 31 July 2018).

Member contributions were also payable at the rate of 6.5% of pensionable pay.

Net pension liability	2019 £	2018 £	2017 £
Defined benefit obligation	(12,798,000)	(11,336,000)	(11,414,000)
Fair value of scheme assets	7,056,000	6,504,000	5,554,000
Net pension liability	5,742,000	4,832,000	5,860,000
Movement in present value of defined benefit obligation:	2019 £	2018 £	2017 £
Scheme liabilities at start of year	11,336,000	11,414,000	10,057,000
Current service cost	102,000	100,000	98,000
Interest expense	317,000	313,000	298,000
Contributions by scheme participants	44,000	42,000	46,000
Actuarial losses/(gains)	1,141,000	(339,000)	1,301,000
Benefits paid	(142,000)	(194,000)	(386,000)
Scheme liabilities at the end of year	12,798,000	11,336,000	11,414,000
Movement in fair value of plan assets	2019 £	2018 £	
Fair value of scheme assets at start of year	6,504,000	5,554,000	
Interest income on scheme assets	184,000	181,000	
Re-measurement – return on assets excluding interest income gain/(loss)	238,000	(300,000)	
Contributions by the company	262,000	1,255,000	
Contributions by scheme participants	44,000	42,000	
Benefits paid	(142,000)	(194,000)	
Administration expenses	(34,000)	(34,000)	
Fair value of scheme assets at end of year	7,056,000	6,504,000	

The actual return on the scheme assets over the year ended 30 June 2019 was £422,000 (2018: £119,000).

## Notes (continued)

### 16. PENSION COMMITMENTS (continued)

#### Defined benefit scheme (continued)

The major assumptions used in the 2019 valuation were:

	At 30 June 2019	At 30 June 2018	At 30 June 2017
RPI Inflation	3.4%	3.3%	3.4%
CPI Inflation	2.4%	2.3%	2.4%
Salary escalation rate	n/a	n/a	n/a
Rate used to discount scheme liabilities	2.5%	2.8%	2.75%
Allowance for pension in payment increases of CPI or 5% p.a. if less	2.4%	2.3%	2.4%
Allowance for pension in payment increases of RPI or 2.5% p.a. if less	2.2%	2.1%	2.2%
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	2.4%	2.3%	2.4%
Allowance for revaluation of pensions of CPI or 2.5% p.a. if less	2.0%	2.0%	2.0%
Allowance for commutation of pension for cash at retirement	25%	25%	25%

The mortality assumptions adopted at 30 June 2019 imply the following life expectancies:

Average life expectancy	2019		2018	
	Male	Female	Male	Female
Member currently aged 62	87.3	89.4	87.2	89.3
Member currently aged 47	88.6	90.9	88.5	90.8

The assets of the scheme were:

	2019 £	2018 £	2017 £
Equities	4,086,000	4,145,000	3,943,000
Bond Type Return Funds	677,000	647,000	555,000
Liability Driven Investments	2,222,000	1,675,000	1,015,000
Cash	71,000	37,000	41,000
	<b>7,056,000</b>	<b>6,504,000</b>	<b>5,554,000</b>

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.

## Notes (continued)

### 16. PENSION COMMITMENTS (continued)

#### Defined benefit scheme (continued)

##### Analysis of other pension costs charged to profit and loss:

	2019 £	2018 £
Current service cost	102,000	100,000
Net interest expense on net defined benefit liability	133,000	132,000
Administration expenses	34,000	34,000
	<hr/>	<hr/>
Total expense recognised in profit and loss	269,000	266,000
	<hr/>	<hr/>

##### Re-measurements recognised in Other Comprehensive Income (OCI):

	2019 £	2018 £
Effect of changes in assumption losses/(gains)	1,141,000	(339,000)
Return on assets excluding interest income (gain)/losses	(238,000)	300,000
	<hr/>	<hr/>
Total (loss)/gain recognised in other comprehensive income	(903,000)	39,000
	<hr/>	<hr/>

##### Reconciliation of funded position:

	2019 £	2018 £
Net defined benefit liability at start of year	4,832,000	5,860,000
Expense recognised in profit and loss	269,000	266,000
Loss/(gain) recognised in OCI	903,000	(39,000)
Contributions by the company	(262,000)	(1,255,000)
	<hr/>	<hr/>
Net defined benefit liability	5,742,000	4,832,000
	<hr/>	<hr/>

#### Defined contribution scheme

The group also operates a defined contribution scheme. Total contributions to the defined contribution scheme amounted to £326,795 (2018: £289,506). No payments were outstanding at 30 June 2019 (2018: £nil).

### 17. CALLED UP SHARE CAPITAL

	2019 £	2018 £
<i>Called up, allotted and nil paid</i>		
72 ordinary shares of 5 pence each	-	-
	<hr/>	<hr/>

## Notes (continued)

### 18. CONTINGENT ASSETS/LIABILITIES

The Company has guaranteed the liabilities, undertakings and obligations of its subsidiary, EFL Digital Limited.

### 19. FINANCIAL COMMITMENTS

Capital commitments are as follows:

#### The Group and Company

	2019 £	2018 £
Website Development Costs	<b>22,667</b>	352,599

#### Operating lease commitments

At 30 June 2019, non-cancellable operating lease rentals are payable as follows:

The Group and Company	2019 Land and buildings £	2019 Other £	2018 Land and buildings £	2018 Other £
Less than one year	268,710	29,022	127,010	12,792
Between one and five years	940,485	29,617	508,040	32,814
More than five years	-	-	381,030	-
	<b>1,209,195</b>	<b>58,639</b>	1,016,080	45,606

### 20. 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 EFL Digital Limited. That amounted to £6,802,983 (2018: £6,801,389) for the year ended 30 June 2019. The company also receives monies from EFL Digital Limited for the use of central rights and overheads including a management recharge amounting to £855,738 (2018: £458,092). At the year end an amount of £1,163,434 (2018: £261,605) was payable to the company by EFL Digital Limited and an amount of £689,155 (2018: £18,730) was payable by the company to EFL Digital Limited. At the year end the company also had a loan balance amount due with EFL Digital Limited of £2,416,877 (2018: £2,977,438). An interest charge of £85,150 (2018: £98,213) was charged to EFL Digital Limited in the year in relation to the loan.

#### Transactions with key management personnel

Total compensation of key management personnel (including the directors) in the year amounted to £2,342,194 (2018: £1,716,703).

## Notes (continued)

### 21. FINANCIAL INSTRUMENTS

The group'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.

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.

The company's transactions are sterling denominated other than those relating to the sale of overseas broadcast rights which are denominated in US dollars.

The carrying values of the Company's financial assets and liabilities are summarised by category below. These are all measured at undiscounted amounts, except for the derivative financial asset which is measured at fair value:

	Group		Company	
Financial assets	2019	2018	2019	2018
	£	£	£	£
Cash and cash equivalents	82,883,275	80,734,118	81,235,816	77,976,727
Trade debtors and other receivables	130,692,281	109,903,273	133,648,484	112,876,568
Derivative financial assets	376,057	4,220,708	376,057	4,220,708
	<u>213,951,613</u>	<u>194,858,099</u>	<u>215,260,357</u>	<u>195,074,003</u>

	Group		Company	
Financial liabilities	2019	2018	2019	2018
	£	£	£	£
Trade payables and other payables	217,340,901	195,533,353	216,190,371	193,528,923

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

	Group		Company	
Fair value gains and losses	2019	2018	2019	2018
	£	£	£	£
On financial assets measured at fair value through profit and loss account	<u>(3,350,043)</u>	<u>792,236</u>	<u>(3,350,043)</u>	<u>792,236</u>

**Notes** (continued)

**22. DERIVATIVE FINANCIAL INSTRUMENTS**

The Group and Company	Due within one year		Due after one year	
	2019	2018	2019	2018
	£	£	£	£
<b>Derivatives accounted for at fair value through profit and loss account</b>				
Forward foreign currency contracts	<b>86,204</b>	1,065,074	<b>289,853</b>	3,155,634
	<b>86,204</b>	1,065,074	<b>289,853</b>	3,155,634

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

**Forward foreign currency contracts**

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

The Group and Company	Average Contractual exchange rate		Notional Value		Fair Value Assets	
	2019	2018	2019	2018	2019	2018
Outstanding contracts			£	£	£	£
<b>Due within one year</b>						
US Dollars	<b>1.2765</b>	1.2765	<b>29,246,638</b>	32,067,372	<b>86,204</b>	1,065,074
<b>Due after one year</b>						
US Dollars	<b>1.2765</b>	1.2765	<b>20,890,456</b>	50,137,094	<b>289,853</b>	3,155,634
			<b>50,137,094</b>	82,204,466	<b>376,057</b>	4,220,708

The Group and Company has entered into contracts to supply overseas broadcasters. As a consequence, the Group and Company has entered into forward foreign currency contracts to manage the risk arising from foreign currency movements on cash flows available for distribution to member clubs. The contracts are measured at fair value through the profit and loss account. A loss of £3,350,043 (2018: £792,236 gain) was recognised during the year.

## 23. DEFERRED TAX

Deferred tax assets and liabilities are attributable to the following:

Group	Assets 2019 £	2018 £	Liabilities 2019 £	2018 £	Net 2019 £	2018 £
Deferred tax arising in relation to retirement benefit obligations	976,140	821,440	-	-	976,140	821,440
Unused tax losses	73,342	-	-	-	73,342	-
Other	-	-	(63,930)	(857,516)	(63,930)	(857,516)
<b>Tax (assets) / liabilities</b>	<b>1,049,482</b>	<b>821,440</b>	<b>(63,930)</b>	<b>(857,516)</b>	<b>958,552</b>	<b>(36,076)</b>

Company	Assets 2019 £	2018 £	Liabilities 2019 £	2018 £	Net 2019 £	2018 £
Deferred tax arising in relation to retirement benefit obligations	976,140	821,440	-	-	976,140	821,440
Other	-	-	(63,930)	(857,516)	(63,930)	(857,516)
<b>Tax (assets) / liabilities</b>	<b>976,140</b>	<b>821,440</b>	<b>(63,930)</b>	<b>(857,516)</b>	<b>912,210</b>	<b>(36,076)</b>

## 24. EVENTS AFTER THE BALANCE SHEET DATE

There have been no material events subsequent to 30 June 2019.

## 25. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgement (apart from those involving estimates) has had the most significant effect on amounts recognised in the financial statements.

**Notes** *(continued)*

**25. ACCOUNTING ESTIMATES AND JUDGEMENTS** *(continued)*

*Development expenditure*

Development expenditure is capitalised in accordance with the accounting policy given within note 1. Initial capitalisation of costs is based on management's judgement that technical and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.

The following are the company's key sources of estimation uncertainty:

*Impairment of non-financial assets*

Where there are indicators of impairment of individual assets, the company performs impairment tests based on fair value less costs to sell. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset.

*Taxation*

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 9.



## Five Year Review

*Year ended 30 June 2019*

	2019 £	2018 £	2017 £	2016 £	2015 £
<b>Profit and loss account</b>					
Group turnover	153,558,399	151,925,639	127,927,355	127,791,002	99,271,655
Total operating (loss)/profit	(1,478,596)	2,051,005	188,082	(340,496)	2,293
Fair value movement on derivative financial instrument	(3,350,043)	792,236	4,251,975	-	-
Net interest receivable	910,686	502,824	233,442	506,138	390,668
(Loss)/profit before tax	(3,785,147)	3,189,441	4,513,762	34,753	287,089
(Loss)/profit for the financial year	(2,696,227)	2,648,504	3,750,824	15,012	179,107
<b>Balance sheet</b>					
Intangible assets	4,319,042	4,653,539	4,105,155	787,982	1,581,186
Tangible fixed assets	3,667,566	3,453,704	3,629,605	2,425,616	93,564
Fixed asset investments	623,398	324,446	318,543	151,779	390,189
Debtors	130,692,281	109,903,273	26,441,195	19,958,663	23,534,087
Financial Derivative Asset	376,057	4,220,708	4,251,975	-	-
Cash at bank and in hand	82,883,275	80,734,118	43,281,060	42,361,898	42,390,674
Creditors: amounts falling due within one year	(160,301,411)	(153,702,552)	(56,790,725)	(54,574,496)	(47,468,086)
Creditors: amounts falling due after more than one year	(57,039,490)	(41,830,801)	(19,133,247)	(9,023,285)	(18,710,709)
Net assets excluding pension liability	5,220,718	7,756,435	6,103,561	2,088,157	1,810,905
Pension liability	(5,742,000)	(4,832,000)	(5,860,000)	(4,372,000)	(2,783,000)
Net (liabilities)/assets	(521,282)	2,924,435	243,561	(2,283,843)	(972,095)