

Company Registration No. 2719699

**The Football Association Premier
League Limited**

Report and Financial Statements

31 July 2010

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The Football Association Premier League Limited

Report and financial statements 2010

Officers and professional advisers

Directors

Sir D G Richards	Chairman
R C Scudamore	Chief Executive

General Secretary

M Foster

Company Secretary

J Purdon

Chief Financial Officer

J Khan

Registered Office

30 Gloucester Place
London
W1U 8PL

Bankers

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

Solicitors

DLA Piper UK LLP
3 Noble Street
London
EC2V 7EE

Auditors

Deloitte LLP
Chartered Accountants and Statutory Auditors
2 New Street Square
London, UK
EC4A 3B2

The Football Association Premier League Limited

Report and financial statements 2010

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The Football Association Premier League Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 July 2010

Principal activity and business review

The Company is a company limited by share capital. Its share ownership is restricted to Premier League clubs and the Football Association.

The principal activity of the Company is to manage the Premier League competition and to exploit broadcasting and other commercial rights granted to the Company by its member clubs for the benefit of the rights holders. There have been no significant changes in the Company's principal activities in the year under review. The directors do not envisage any major changes in the Company's activities in the foreseeable future.

The profit and loss account, which shows the results for the current year, is set out on page 8. The Company made a post tax profit of £30k (2009: £25k profit) which has been added to profit brought forward of £248k (2009: £223k).

The period under review is the final year of a three year cycle of broadcasting and other commercial rights contracts. In line with the underlying agreements, income has risen by 3.5% with a consequent similar increase in cost of sales, whilst operating costs have reduced slightly.

The directors are satisfied with the business prospects of the Company for the foreseeable future given the existence of commercial rights contracts for the next three years.

Charitable and contributions

During the year the Company made charitable donations of £25.8m (2009: £36.5m), principally to football related charities.

Dividends

The directors do not recommend the payment of a dividend (2009: £nil).

Directors and their interests

The directors who served throughout the year are shown on page 1.

The directors do not have any interests in the shares of the Company as required to be disclosed under the Companies Act 2006.

Principal risks and uncertainties

In view of the successful renegotiation of UK broadcasting and sponsorship rights, the directors are satisfied that the Company is financially secure for the foreseeable future.

The directors are confident that the industry continues to thrive and grow with healthy attendances and undiminished interest in the global sport of football, thereby securing the company's exploitation of its commercial rights.

The Football Association Premier League Limited

Directors' report

Principal risks and uncertainties (continued)

The Company carries out an annual risk assessment of its principal risks and uncertainties and is confident that it is managing its risk profile satisfactorily. The Company's risk register is updated annually and independently reviewed by the Audit & Remuneration Committee.

The Company manages its exposure to foreign currency risks emanating from overseas US Dollar denominated contracts by entering into hedging arrangements designed to achieve a minimum target exchange rate over the life of the contracts. This target rate is set by the Company in consultation with the Audit & Remuneration Committee which monitors the results of the hedging arrangements.

The Company's principal financial assets are bank balances and cash, trade and other receivables. The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers and the existence of financial security where warranted.

Environment

The Company recognises the importance of its environmental responsibilities and monitors the impact of its activities and those of its member clubs on the environment and proactively champions 'green practices'. At its newly refurbished offices, recycling, low energy consumption and water conservation measures are in force.

Additionally, the Company is proud of the efforts of its member clubs to develop sustainable environmental practices including the development of wind turbines for energy, energy from waste, and promotion of public transport to travel to football matches.

Employees

Details of the number of employees and related costs can be found in note 5 to the Financial Statements on page 14.

The FA Premier League is an equal opportunities employer and welcomes job applicants from all sections of society. Applications for employment of disabled persons are always fully and fairly considered, bearing in mind the aptitudes of the applicant concerned. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees. The Company is proud of the diversity of its London based workforce which is reflective of the general community.

Audit and Remuneration Committee

In accordance with best practice, but in keeping with the size and nature of the organisation, the FA Premier League Board has established an independent Audit & Remuneration Committee with specific written terms of reference which deal with its authority and duties. It meets at least twice a year with the Chief Financial Officer and with the external auditors attending by invitation. The Committee oversees the monitoring of the adequacy of the Company's internal controls, accounting policies and financial reporting. It provides a forum through which the Company's external auditors may report to the Board.

The Committee also agrees the remuneration and terms and conditions of employment of senior management. Such remuneration consists of a package of basic salary, benefits and bonuses which are linked to corporate and individual performance achievements.

The Football Association Premier League Limited

Directors' report

Audit and Remuneration Committee (continued)

The Committee presently comprises Messrs C M Edwards (Chairman), B Buck, P Gartside, J Williams and D Gill. Members of the Committee are not directors of the Company.

Disclosure of information

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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

Auditors

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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



J Purdon
Secretary

25 November 2010

The Football Association Premier League Limited

Directors' responsibilities statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report to the members of The Football Association Premier League Limited

We have audited the financial statements of The Football Association Premier League Limited for the year ended 31 July 2010 which comprise the profit and loss account, the balance sheet, the cash flow statement, and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards.

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 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, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 July 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom 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.

**Independent auditors' report to the members of
The Football Association Premier League Limited
(continued)**

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

Ian Krieger

Ian Krieger (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

29 November 2010

The Football Association Premier League Limited

Profit and loss account Year ended 31 July 2010

	Notes	2010 £'000	2009 £'000
Company and share of joint venture's turnover		1,043,200	1,008,118
Less share of joint venture's turnover	9	(3,162)	(3,078)
Group turnover	1, 2	<u>1,040,038</u>	<u>1,005,040</u>
Cost of sales		<u>(958,178)</u>	<u>(925,647)</u>
Gross profit		<u>81,860</u>	<u>79,393</u>
Other operating expenses	3	<u>(83,367)</u>	<u>(84,626)</u>
Operating loss		<u>(1,507)</u>	<u>(5,233)</u>
Share of net operating loss in joint venture and associate	9, 10	<u>(10)</u>	<u>(36)</u>
Total operating loss		<u>(1,517)</u>	<u>(5,269)</u>
Interest receivable - Company		1,906	5,550
Joint venture and associate	9, 10	<u>5</u>	<u>32</u>
Profit on ordinary activities before taxation	4	<u>394</u>	<u>313</u>
Tax on profit on ordinary activities	6	<u>(364)</u>	<u>(288)</u>
Profit on ordinary activities after taxation and retained profit for the financial year	19	<u>30</u>	<u>25</u>
Retained profit brought forward		<u>248</u>	<u>223</u>
Retained profit carried forward		<u><u>278</u></u>	<u><u>248</u></u>

All of the above results in the current year and preceding year derive from continuing activities

There are no recognised gains or losses other than as disclosed in the profit and loss account. Accordingly, no statement of recognised gains and losses is presented.

The Football Association Premier League Limited

Balance sheet 31 July 2010

	Notes	2010 £'000	2009 £'000
Fixed assets			
Tangible assets	7	1,576	1,404
Investments	8	-	-
Investment in joint venture	9		
Share of gross assets		3,543	1,550
Share of gross liabilities		(3,535)	(1,543)
		8	7
Investment in associate	10	58	65
Total fixed assets		<u>1,642</u>	<u>1,476</u>
Current assets			
Debtors	11	139,151	39,316
Cash at bank and in hand	13	760,164	677,197
		<u>899,315</u>	<u>716,513</u>
Creditors, amounts falling due within one year	14	<u>(773,753)</u>	<u>(651,860)</u>
Net current assets		<u>125,562</u>	<u>64,653</u>
Total assets less current liabilities		<u>127,204</u>	<u>66,129</u>
Creditors, amounts falling due after more than one year	15	<u>(126,926)</u>	<u>(65,881)</u>
		<u>278</u>	<u>248</u>
Capital and reserves			
Called up share capital	18	-	-
Profit and loss account		278	248
Total shareholders' funds	19	<u>278</u>	<u>248</u>

These financial statements were approved by the Board of Directors on **25 Nov.** 2010

Signed on behalf of the Board of Directors

Sir D G Richards
Director



R C Scudamore
Director



The Football Association Premier League Limited

Cash flow statement Year ended 31 July 2010

	Notes	2010 £'000	2009 £'000
Net cash inflow from operating activities	20	81,659	456,201
Returns on investments and servicing of finance			
Interest received		1,906	5,550
Taxation			
UK and foreign corporation tax paid		-	-
Capital expenditure			
Payments to acquire tangible fixed assets		(598)	(430)
Increase in cash in the year	13	<u>82,967</u>	<u>461,321</u>

The Football Association Premier League Limited

Notes to the accounts Year ended 31 July 2010

1. Accounting policies

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

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards.

Going concern

The directors have considered the financial position, resources and revenue streams of the company. The Company has considerable financial resources and has secured all future broadcasting rights income for the period 2010-2013. This fact, along with its operating cost structure and basis for payments to clubs (cost of sales) means that the company is well placed to manage its business risks successfully. Therefore the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the annual report and accounts.

Turnover

Turnover comprises the value of sales, excluding VAT, of goods and services in the normal course of business, sponsorship monies and revenue derived from television broadcasting contracts. Revenue is recognised in the season to which it relates in accordance with the contract unless this does not reflect the economic substance of the transaction. Amounts invoiced but not yet received in relation to the following season are included in debtors and deferred income. Payments to clubs are recorded as cost of sales in the year in which the related revenue is recognised. The Premier League recognise revenue at the actual exchange rates achieved.

Joint ventures and associates

In accordance with Financial Reporting Standard 9, entities that are jointly controlled by virtue of contractual arrangements are treated as joint ventures and are included in the accounts under the gross equity method of accounting. Associates are included under the net equity method. Where necessary the financial statements of associates and joint ventures are adjusted to conform with the Company's accounting policies.

Pension costs

The Company contributes to defined contribution pension schemes on behalf of employees. The amount charged in the profit and loss account is the amount payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Operating lease arrangements

Rentals 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.

Taxation

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

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 items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

The Football Association Premier League Limited

Notes to the accounts Year ended 31 July 2010

1. Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off their cost less estimated residual value on a straight-line basis over their estimated useful lives as follows:

Short-leasehold land and buildings	Over term of lease
Office furniture and computer equipment	3 -7 years

The development costs of the website were capitalised as incurred and have been fully written off over the first three years of its life. Further costs in relation to the maintenance of the website are expensed in the year in which they are incurred.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate.

Derivative financial instruments

The Company uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The Company does not hold or issue derivative financial instruments for speculative purposes.

For a forward foreign exchange contract to be treated as a hedge the instrument must be related to actual foreign currency assets or liabilities or to a probable commitment. It must involve the same currency or similar currencies as the hedged item and must also reduce the risk of foreign currency exchange movements on the Company's operations. Gains and losses arising on these contracts are deferred and recognised in the profit and loss account only when the hedged transaction has itself been reflected in the Company's financial statements.

For an interest rate swap to be treated as a hedge the instrument must be related to actual assets or liabilities or a probable commitment and must change the nature of the interest rate by converting a fixed rate to a variable rate or vice versa. Interest differentials under these swaps are recognised by adjusting new interest payable over the periods of the contracts.

If an instrument ceases to be accounted for as a hedge, for example because the underlying hedged position is eliminated, the instrument is marked to market and any resulting profit or loss recognised at that time.

The Football Association Premier League Limited

Notes to the accounts Year ended 31 July 2010

2 Turnover

Turnover derives from the activities of managing The Football Association Premier League. All turnover arises in the United Kingdom, with the exception of £258.8m (2009: £249.5m) which arises from the sale of television rights to worldwide broadcasters for worldwide transmission. Turnover by destination is not materially different to turnover by origin. All of the Company's assets are held in the United Kingdom.

3 Other operating expenses

	2010 £'000	2009 £'000
<i>Charitable activities</i>		
Football Foundation	3,188	12,813
PFA charitable activities	16,750	16,750
Other charitable	5,846	6,943
<i>Grassroots Support</i>		
Football stadia improvement fund	1,312	4,812
Other grassroots support	3,526	3,415
Football League Solidarity, Youth Development & Community	29,167	17,967
<i>Other</i>		
PFA enterprises	250	250
Administrative expenses	23,328	21,676
	<u>83,367</u>	<u>84,626</u>

4 Profit on ordinary activities before taxation

	2010 £'000	2009 £'000
Profit on ordinary activities before taxation is stated after charging		
Auditors' remuneration - audit fees	35	33
- tax services	31	68
- other services	152	29
Depreciation on owned assets	426	375
Operating lease rentals – hire of other assets	799	682
	<u>799</u>	<u>682</u>

The Football Association Premier League Limited

Notes to the accounts Year ended 31 July 2010

5. Staff numbers and costs

	2010 £'000	2009 £'000
Employee costs (including directors) during the year:		
Wages and salaries	8,450	5,475
Social security costs	1,060	630
Other pension costs	448	610
	<u>9,958</u>	<u>6,715</u>

	No	No.
Average monthly number of persons (including directors) employed by the Company during the year	<u>74</u>	<u>63</u>

Directors' remuneration.

Remuneration in respect of directors of the Company was as follows

	£'000	£'000
Emoluments	3,843	1,567
Company contribution to money purchase schemes	139	284
	<u>3,982</u>	<u>1,851</u>

Directors' remuneration is included within employee costs

	£'000	£'000
The above amounts for directors' remuneration include the following in respect of the highest paid director		
Emoluments	3,579	1,296
Company contributions to money purchase schemes	80	241
	<u>3,659</u>	<u>1,537</u>

The emoluments of the highest paid director include broadcasting bonuses of £333,333 (2009 £745,566) in respect of the current broadcasting agreements. The Audit and Remuneration Committee have also approved a further bonus of £2.5m in respect of securing the broadcasting agreements for the three year period 2010/11 to 2012/13. This amount, in accordance with accounting requirements, is included in its entirety above, although it will actually be paid over four financial years.

The number of directors for whom contributions were made to money purchase schemes during the year was two (2009 two).

The Football Association Premier League Limited

Notes to the accounts Year ended 31 July 2010

6 Tax on profit on ordinary activities

	2010 £'000	2009 £'000
United Kingdom corporation tax at 28% (2009 28%)	337	252
Excess withholding tax deducted at source	27	36
	<u>364</u>	<u>288</u>

The tax charged for the year is higher than that resulting from applying the standard rate of corporation tax in the United Kingdom of 28% (2009 28%) The differences are explained below

	2010 £'000	2009 £'000
Profit on ordinary activities before tax	394	313
Tax at 28% thereon (2009 28%)	110	88
<i>Effects of</i>		
Expenses not deductible for tax purposes	112	68
Marginal relief	-	(10)
Excess withholding tax deducted at source	27	36
Share of profit from associates and Joint Ventures	2	1
Qualifying depreciation in excess of capital allowances	113	105
	<u>364</u>	<u>288</u>

7. Tangible fixed assets

	Website £'000	Short- leasehold improvements £'000	Office furniture and equipment £'000	Total £'000
Cost.				
At 1 August 2009	2,193	676	2,096	4,965
Additions	-	265	334	598
Disposals	-	-	(683)	(683)
At 31 July 2010	<u>2,193</u>	<u>941</u>	<u>1,747</u>	<u>4,881</u>
Accumulated depreciation				
At 1 August 2009	2,193	165	1,204	3,562
Charge for the year	-	57	369	426
Disposals	-	-	(683)	(683)
At 31 July 2010	<u>2,193</u>	<u>222</u>	<u>890</u>	<u>3,305</u>
Net book value:				
At 31 July 2010	<u>-</u>	<u>719</u>	<u>857</u>	<u>1,576</u>
At 31 July 2009	<u>-</u>	<u>511</u>	<u>892</u>	<u>1,404</u>

The Football Association Premier League Limited

Notes to the accounts Year ended 31 July 2010

8. Fixed asset investments

The Company has a £2 investment in The Football Association Premier League Medical Care Scheme Limited, a company incorporated in Great Britain, whose principal activity is to act as trustee for the Medical Care Scheme. The investment represents 100% of the ordinary share capital of the subsidiary company. The subsidiary has not traded since incorporation.

9. Investment in joint venture

	£'000	
Share of net assets		
At 1 August 2009		7
Share of results (see below)		1
		<u>8</u>
At 31 July 2010		<u>8</u>
	2010	2009
	£'000	£'000
Company share of results		
Turnover	3,162	3,078
	<u> </u>	<u> </u>
Operating loss	(2)	(24)
Interest receivable and similar income	3	25
	<u> </u>	<u> </u>
Result before and after taxation	1	1
	<u> </u>	<u> </u>
Company share of:		
Current assets	3,543	1,550
Current liabilities – due within one year	(3,535)	(1,543)
	<u> </u>	<u> </u>
Share of net assets	8	7
	<u> </u>	<u> </u>

The investment in joint venture represents a 50% holding in Football DataCo Limited, a joint venture between The Football Association Premier League Limited and The Football League Limited. The joint venture has been formed for the commercial exploitation of copyright football data owned by the Leagues. The Football Association Premier League Limited owns 100% of the 'A' shares of Football DataCo Limited. 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.

The Football Association Premier League Limited

Notes to the accounts Year ended 31 July 2010

10. Investment in associate

	£'000	
Share of net assets		
At 1 August 2009		65
Share of results (see below)		(7)
At 31 July 2010		<u>58</u>
	2010	2009
	£'000	£'000
Company share of results		
Turnover	<u>2,240</u>	<u>2,212</u>
Operating loss before taxation	(8)	(12)
Interest receivable and similar income	<u>1</u>	<u>7</u>
Result before and after taxation	<u>(7)</u>	<u>(5)</u>
Company		
Share of net assets	<u>58</u>	<u>65</u>

Investment in associate represents a one third holding in Professional Game Match Officials Limited, a venture between The Football Association Premier League Limited, The Football Association Limited and The Football League Limited. The venture was formed for the provision of referees and refereeing services to The Football Association, The Football Association Premier League and The Football League Limited.

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

11. Debtors

	2010	2009
	£'000	£'000
Trade debtors	85,058	31,965
Amounts owed by joint venture	259	246
Other debtors	34,102	1,979
Deferred tax (note 12)	544	544
Prepayments and accrued income	<u>19,188</u>	<u>4,582</u>
	<u>139,151</u>	<u>39,316</u>

Trade debtors relate mostly to amounts due in the next financial year, invoiced ahead of the contractual date of payment.

The Football Association Premier League Limited

Notes to the accounts Year ended 31 July 2010

12 Deferred tax

	2010 £'000	2009 £'000
Deferred tax asset		
Balance at start of year	544	544
Credit to profit and loss account (note 6)	-	-
Balance at end of year	<u>544</u>	<u>544</u>
	2010 £'000	2009 £'000
Deferred tax asset*		
Depreciation in excess of capital allowances	<u>544</u>	<u>544</u>

A deferred tax asset of £544k has been recognised at 31 July 2010 (2009 £544k) where depreciation charged is in excess of capital allowances claimed on qualifying assets. The Directors are of the opinion, based on historic and forecast trading, that it is more likely than not that there will be suitable profits in the future financial years against which the future capital allowances may be claimed. An amount of £113k where annual depreciation is charged in excess of capital allowances has not been claimed as a deferred tax asset within the year, bringing the total amount not recognised to £310k.

13. Analysis of changes in net funds

	At 31 July 2009 £'000	Cash flows £'000	At 31 July 2010 £'000
Cash at bank and in hand	<u>677,197</u>	<u>82,967</u>	<u>760,164</u>

The year-end cash balance includes deferred income received in advance of future periods to which it relates.

14 Creditors: amounts falling due within one year

	2010 £'000	2009 £'000
Trade creditors	94	207
Other taxes and social security	60,676	36,638
Other creditors	8,457	11,875
Accruals	28,873	16,111
Deferred income	<u>675,653</u>	<u>587,029</u>
	<u>773,753</u>	<u>651,860</u>

Deferred income represents amounts due in the next financial year but invoiced within the current financial year in advance of the contractual payment date.

The Football Association Premier League Limited

Notes to the accounts Year ended 31 July 2010

15 Creditors: amounts falling due after more than one year

	2010 £'000	2009 £'000
Deferred income	126,926	65,881

Deferred income represents amounts due in future financial periods but invoiced within the current financial year in advance of the contractual payment date

16 Contingent liabilities

As reported in the press, a member club of the League in the reporting period, Portsmouth Football Club (PFC), entered administration in February 2010. The League made certain payments under its rules to creditor clubs of PFC and HMRC have challenged payment of these amounts which would otherwise have been payable to PFC or the Administrator. No material losses are expected to arise from this challenge.

17. Commitments under operating leases

At 31 July 2010 the Company had annual commitments under non-cancellable operating leases in respect of land and buildings as set out below

	2010 £'000	2009 £'000
Commitments under operating leases expiring after five years	874	625

18. Called up share capital

	2010 £	2009 £
Authorised		
99 Ordinary shares of £1 each	99	99
1 Preference share of £1	1	1
	<u>100</u>	<u>100</u>
Called up, allotted and fully paid		
20 Ordinary shares of £1 each	20	20
1 Preference share of £1	1	1
	<u>21</u>	<u>21</u>

The ordinary share capital is held by the Premier League clubs in membership of the league in the respective season. The preference share is held by The Football Association Limited. This share carries no right to dividends, is irredeemable, carries no voting rights, and on winding up, entitles the holder of the preference share to receive repayment of capital paid in priority to other classes of shares, but no other right to participate in capital or profits of the Company.

The Football Association Premier League Limited

Notes to the accounts Year ended 31 July 2010

19 Reconciliation of movements in shareholders' funds

	2010 £'000	2009 £'000
Opening shareholders' funds	248	223
Profit for the financial year	30	25
Closing shareholders' funds	278	248

20 Reconciliation of operating loss to net cash inflow from operating activities

	2010 £'000	2009 £'000
Operating loss	(1,507)	(5,233)
Depreciation	426	375
Decrease/(increase) in debtors	(99,835)	337,857
Increase in creditors	182,575	123,202
Net cash inflow from operating activities	81,659	456,201

21. Financial instruments

Currency profile of financial assets held as cash and current asset investments

	2010 £'000	2009 £'000
Euros	87,377	10,086
Sterling	518,529	578,644
US dollars	154,258	88,467
	760,164	677,197

The company has entered into derivatives to hedge its exposure to changes in foreign exchange rates and interest rates. Under UK GAAP, the company is required to disclose the fair value of the derivatives, being the difference between the expected realisable value of its derivatives and the market value of its foreign currency holdings and relevant deposits at the year end. The fair value of the interest hedging deals at 31 July 2010 is an asset of £1,781k, being the additional value attributed to these deals. The fair value of the currency hedging deals at 31 July 2010 is a liability of £16,214k, being the additional liability attributed to these deals. Not all hedging deals proceed to completion, depending on various parameters built into the derivatives.

22. Related party transactions

By the Company's nature and in accordance with its rules, The Football Association Premier League Limited enters into a number of transactions in the normal course of business with its member clubs and with The Football Association Limited. Cost of sales as reported in the profit and loss account represents amounts payable to the member clubs of the FA Premier League totalling £950,676 k (2009 £918,616k), of which £8,718k (2009 £12,204k) was outstanding at the year-end.

Transactions between the Company and its joint venture Football DataCo Limited are disclosed in note 9. A debtor of £299,094 (2009 £473,045) is outstanding at the year-end. Transactions between the Company and its associate Professional Game Match Officials Limited are disclosed in note 10. A creditor of £26,400 (2009 £161,336) is outstanding at the year-end.