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Company Registration No. 2719699

**The Football Association Premier
League Limited**

Report and Financial Statements

31 July 2004





The Football Association Premier League Limited

Report and financial statements 2004

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The Football Association Premier League Limited

Report and financial statements 2004

Officers and professional advisers

Directors

D G Richards	Chairman
R C Scudamore	Chief Executive

General Secretary

M Foster

Company Secretary

S Johnson

Chief Financial Officer

J Khan

Registered office

11 Connaught Place
London
W2 2ET

Bankers

Barclays Bank PLC
50 Pall Mall
London
SW1A 1QB

Solicitors

Denton Wilde Sapte
Five Chancery Lane
Clifford's Inn
London
EC4A 1BU

Auditors

Deloitte & Touche LLP
Chartered Accountants
London

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 2004.

Principal activity and business review

The principal activity of the Company is to manage the FA Premier League.

The profit and loss account, which shows the results for the year, is set out on page 6. The Company made a post tax profit of £2.3m (2003 £2.1m) which has been retained to offset the loss brought forward of £1.9m (2003: £4.1m). The directors are satisfied with the Company's performance during the year, and expect the situation to continue in the foreseeable future.

Dividends

The directors do not recommend the payment of a dividend (2003: £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 1985.

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 and 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 Committee presently comprises Messrs C M Edwards, R A Murray and H D Ellis. Members of the Committee are not directors of the Company.

Disabled employees

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 Football Association Premier League Limited

Directors' report

Auditors

A resolution for the reappointment of Deloitte & Touche LLP as auditors 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

A handwritten signature in black ink, which appears to read "Simon Johnson". The signature is written in a cursive, flowing style.

S Johnson
Secretary

18 November 2004

Statement of directors' responsibilities

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

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

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

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 2004 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes 1 to 20. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 described in the statement of directors' responsibilities, the Company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of opinion

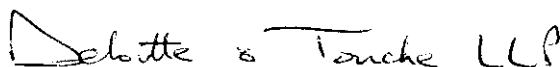
We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31 July 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP



Chartered Accountants and Registered Auditors
London

The Football Association Premier League Limited

Profit and loss account Year ended 31 July 2004

	Note	2004 £'000	2003 £'000
Company and joint venture's turnover		642,376	583,623
Less: share of joint venture's turnover	9	(2,197)	(2,088)
Turnover	1, 2	640,179	581,535
Cost of sales		(590,915)	(534,535)
Gross profit		49,264	47,000
Other operating expenses	3	(49,454)	(46,652)
Operating (loss)/profit		(190)	348
Share of net operating loss in joint venture and associates	9, 10	(22)	(37)
Total operating (loss)/profit		(212)	311
Interest receivable - Company		3,739	2,658
Joint venture and associate	9	51	43
Profit on ordinary activities before taxation	4	3,578	3,012
Tax on profit on ordinary activities	6	(1,298)	(867)
Profit on ordinary activities after taxation and retained profit for the financial year	16	2,280	2,145
Retained loss brought forward		(1,940)	(4,085)
Retained profit/(loss) carried forward		340	(1,940)

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 2004

	Note	2004 £'000	2003 £'000
Fixed assets			
Tangible assets	7	1,243	3,231
Investments	8	-	-
Investment in joint venture:	9		
Share of gross assets		1,748	1,929
Share of gross liabilities		(1,746)	(1,928)
		2	1
Investment in associate	10	33	5
Total fixed assets		<u>1,278</u>	<u>3,237</u>
Current assets			
Debtors	11	218,237	196,607
Cash at bank and in hand	18	98,980	38,698
		<u>317,217</u>	<u>235,305</u>
Creditors: amounts falling due within one year	13	<u>(318,155)</u>	<u>(240,482)</u>
Net current liabilities		<u>(938)</u>	<u>(5,177)</u>
Total assets less current liabilities		<u>340</u>	<u>(1,940)</u>
Capital and reserves			
Called up share capital	15	-	-
Profit and loss account		340	(1,940)
Total shareholders' funds/(deficit)	16	<u>340</u>	<u>(1,940)</u>
Attributable to equity shareholders		340	(1,940)
Attributable to non-equity shareholders	15	-	-
		<u>340</u>	<u>(1,940)</u>

These financial statements were approved by the Board of Directors on 18 November 2004.

Signed on behalf of the Board of Directors

D Richards



R Scudamore



Directors

The Football Association Premier League Limited**Cash flow statement****Year ended 31 July 2004**

	Note	2004 £'000	2003 £'000
Net cash inflow/(outflow) from operating activities	17	56,852	(5,717)
Returns on investments and servicing of finance			
Interest received		3,703	2,658
Capital expenditure			
Payments to acquire tangible fixed assets		(280)	(790)
Receipts from sales of tangible fixed assets		7	8
		<u>(273)</u>	<u>(782)</u>
Increase/(decrease) in cash in the year	18	<u>60,282</u>	<u>(3,841)</u>

Notes to the accounts Year ended 31 July 2004

1. Accounting policies

The principle 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 accounting standards.

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, and payments to clubs are recorded as cost of sales in the year in which the related revenue is recognised.

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.

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
Motor vehicles	4 years

Investments

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

The Football Association Premier League Limited

Notes to the accounts Year ended 31 July 2004

1. Accounting policies (continued)

Website

Costs incurred in developing and enhancing the website are capitalised as incurred, if the measurable economic viability of the expenditure can be determined, and are amortised over the expected useful life of the website. No amortisation was charged while the website was under construction. The cost is being written off on a straight line basis over three years.

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 £74.9m (2003: £59.5m) which arises from the sale of television rights to a European broadcaster 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

	2004 £'000	2003 £'000
Payments for youth and stadia development	20,254	20,133
Payments to Professional Footballers' Association	12,900	12,900
Other administrative expenses	16,300	13,619
	<u>49,454</u>	<u>46,652</u>

4. Profit on ordinary activities before taxation

	2004 £'000	2003 £'000
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration - audit fees	35	31
- other services	141	265
Depreciation on owned assets	994	1,039
Loss on sale of fixed assets	105	6
Charge on revision of fixed assets estimated useful lives (see note 7)	1,162	-
Operating lease rentals - hire of other assets	400	400
	<u></u>	<u></u>

Notes to the accounts Year ended 31 July 2004

5. Staff numbers and costs

	2004 £'000	2003 £'000
Employee costs including directors during the year amounted to:		
Wages and salaries	3,497	2,806
Social security costs	421	404
Other pension costs	204	186
	<u>4,122</u>	<u>3,396</u>

	No.	No.
Average monthly number of persons including directors employed by the Company during the year	<u>50</u>	<u>47</u>

Directors' remuneration:

Remuneration in respect of directors of the Company was as follows:

	£'000	£'000
Emoluments	1,010	730
Company contribution to money purchase schemes	54	52
	<u>1,064</u>	<u>782</u>

Directors' remuneration is included within employee costs.

The above amounts for directors' remuneration include the following in respect of the highest paid director:

	£'000	£'000
Emoluments	812	576
Company contributions to money purchase schemes	54	52
	<u>866</u>	<u>628</u>

The emoluments of the highest paid director include bonuses of £400,000 (2003: £200,000) in respect of the broadcasting agreements.

The number of directors for whom contributions were made to money purchase schemes during the year was one (2003: one).

Notes to the accounts Year ended 31 July 2004

6. Tax on profit on ordinary activities

	2004 £'000	2003 £'000
United Kingdom corporation tax at 30%	698	-
Deferred tax – origination and reversal of timing differences	589	914
Adjustment in respect of prior years	11	(47)
	<u>1,298</u>	<u>867</u>

The tax charged for the year is lower than that resulting from applying the standard rate of corporation tax in the United Kingdom of 30% (2003: 30%). The differences are explained below:

	2004 £'000	2003 £'000
Profit on ordinary activities before tax	<u>3,578</u>	<u>3,012</u>
Tax at 30% thereon	1,073	904
<i>Effects of:</i>		
Expenses not deductible for tax purposes	214	12
Capital allowances in excess of depreciation	278	71
Utilisation of tax losses	(867)	(152)
Movement in short term timing differences	-	(835)
	<u>-</u>	<u>-</u>
Current tax charge for year	<u>698</u>	<u>-</u>

The Football Association Premier League Limited

Notes to the accounts Year ended 31 July 2004

7. Tangible fixed assets

	Website £'000	Short leasehold improvements £'000	Office furniture and equipment £'000	Motor vehicles £'000	Total £'000
Cost:					
At 1 August 2003	2,193	1,507	1,232	17	4,949
Additions	-	20	260	-	280
Disposals	-	-	(279)	(17)	(296)
At 31 July 2004	2,193	1,527	1,213	-	4,933
Accumulated depreciation:					
At 1 August 2003	731	290	686	11	1,718
Charge for the year	731	75	188	-	994
Revision of fixed assets useful life	-	1,162	-	-	1,162
Disposals	-	-	(173)	(11)	(184)
At 31 July 2004	1,462	1,527	701	-	3,690
Net book value:					
At 31 July 2004	731	-	512	-	1,243
At 31 July 2003	1,462	1,217	546	6	3,231

Following a review carried out by the directors of the company, a provision of £1,162,000 was booked against the short leasehold improvements due to a revision of the estimated useful life of the assets.

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. The Football Association Premier League Limited holds 100% of the ordinary share capital of the subsidiary company. The subsidiary has not traded since incorporation.

Notes to the accounts
Year ended 31 July 2004
9. Investment in joint venture

	£'000	
At 1 August 2003		1
Share of results (see below)		1
		<hr/>
At 31 July 2004		2
		<hr/>
	2004	2003
	£'000	£'000
Company share of results		
Turnover	2,197	2,088
	<hr/>	<hr/>
Operating loss	(45)	(42)
Interest receivable and similar income	46	43
	<hr/>	<hr/>
Result before and after taxation	1	1
	<hr/>	<hr/>
Company share of:		
Current assets	1,748	1,929
Current liabilities – due within one year	(1,746)	(1,928)
	<hr/>	<hr/>
Share of net assets	2	1
	<hr/>	<hr/>

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, 11 Connaught Place, London, W2 2ET.

The Football Association Premier League Limited

Notes to the accounts Year ended 31 July 2004

10. Investment in associate

	£'000	
At 1 August 2003		5
Share of results (see below)		28
		<hr/>
At 31 July 2004		33
		<hr/>
	2004	2003
	£'000	£'000
Company share of results		
Turnover	1,752	1,615
	<hr/>	<hr/>
Operating profit and profit before taxation	23	5
	<hr/>	<hr/>
Interest receivable and similar income	5	-
	<hr/>	<hr/>
Result before and after taxation	28	5
	<hr/>	<hr/>
Company:		
Share of net assets	33	5
	<hr/>	<hr/>

Investment in associates 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

	2004	2003
	£'000	£'000
Amounts due within one year		
Trade debtors	215,564	189,880
Amounts owed by joint venture	19	26
Other debtors	37	131
Deferred tax (see note 12)	201	801
Prepayments and accrued income	2,416	5,769
	<hr/>	<hr/>
	218,237	196,607
	<hr/>	<hr/>

The Football Association Premier League Limited

Notes to the accounts Year ended 31 July 2004

12. Deferred tax

	2004 £'000	2003 £'000
Deferred tax asset		
Balance at start of year	(801)	(1,668)
Charge to profit and loss account (note 6)	600	867
Balance at end of year	<u>(201)</u>	<u>(801)</u>

	2004 £'000	2003 £'000
The amounts provided in the accounts are:		
Depreciation in excess of capital allowances	(201)	76
Losses	-	(877)
Deferred tax asset	<u>(201)</u>	<u>(801)</u>

A deferred tax asset of £201,000 has been recognised at 31 July 2004 (2003: £801,000) 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.

13. Creditors: amounts falling due within one year

	2004 £'000	2003 £'000
Trade creditors	90	172
Corporation tax	662	-
Other taxes and social security	26,591	28,015
Other creditors	8,018	5,210
Accruals	20,003	15,406
Deferred income	262,791	191,679
	<u>318,155</u>	<u>240,482</u>

14. Commitments under operating leases

At 31 July 2004 the Company had annual commitments under non-cancellable operating leases in respect of land and buildings as set out below:

	2004 £'000	2003 £'000
Commitments under operating leases expiring after five years	<u>400</u>	<u>400</u>

Notes to the accounts Year ended 31 July 2004

15. Called up share capital

	2004 £	2003 £
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>

Non-equity shareholders' funds relate entirely to the preference share, which 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.

16. Reconciliation of movements in shareholders' funds/(deficit)

	2004 £'000	2003 £'000
Opening shareholders' deficit	(1,940)	(4,085)
Profit for the financial year	2,280	2,145
	<u>340</u>	<u>(1,940)</u>

17. Reconciliation of operating loss to net cash inflow from operating activities

	2004 £'000	2003 £'000
Operating (loss)/profit	(190)	348
Depreciation charges	994	1,039
Loss on sale of fixed assets	105	6
Charge on revision of fixed assets estimated useful lives	1,162	-
Increase in debtors	(22,230)	(18,196)
Increase in creditors	77,011	11,086
	<u>56,852</u>	<u>(5,717)</u>

The Football Association Premier League Limited

Notes to the accounts Year ended 31 July 2004

18. Analysis of changes in net funds

	At 31 July 2003 £'000	Cash flows £'000	At 31 July 2004 £'000
Cash at bank and in hand	38,698	60,282	98,980

19. Financial instruments

Currency profile of financial assets

	31 July 2004 £'000	31 July 2003 £'000
Sterling	88,822	38,698
US dollars	10,158	-
	<u>98,980</u>	<u>38,698</u>

Arrangements to hedge foreign exchange exposures, including those relating to assets denominated in currencies other than sterling, are entered into where it is commercially effective to do so. At the year end the Company had entered into a hedging agreement, which provides a facility to hedge US \$340,000,000 over a three year period.

20. 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.