EFL Digital Limited

Annual report and financial statements

Registered number 4112553

Year ended 30 June 2019

Contents

Officers and Professional Advisors

Directors

N Craig
T S Detko
B M Wright

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

Bank of Scotland
The Mound
Edinburgh
EH1 1YZ

Auditor

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

Strategic Report

The directors present their strategic report of the company for the year ended 30 June 2019.

Review of the business

The principal activity of the company is the exploitation of certain internet, mobile and other commercial rights granted to it by The Football League Limited and by a number of football clubs that compete in the English Football League ("EFL"), Premier League and the National League (the "Participating Clubs").

The directors are satisfied with the company's performance during the year under review and continue to seek growth in new areas whilst making every effort to retain established revenue sources.

This year was the second full year of the EFL Digital agreement, the fundamental commercial element of which is the delivery of "Live Streams" of select EFL Games (iFollow) to various markets. This product supplements the ongoing commercial opportunities and revenue streams that the digital platform provides.

The results for the year are set out on page 9. Turnover increased by £1,496k to £13,251k. This increase was driven by the new UK "live stream" product and increases in both the existing UK audio and International Live Stream product. Total expenditure has increased by £3,699k to £14,050k (2018: £10,351k) driven by increased service provider costs of £2,580k to £7,153k *(2018: £4,573k)* and an overall distributions increase of £877k to £6,044k *(2018: £5,167k).*

Key performance indicators

The company 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	2018
	£'000	£'000
Revenues		
Syndication	**4,723**	4,699
iFollow Product	**4,438**	3,111
Advertising	**2,190**	2,242
Service Fees	**1,410**	1,264
Betting	**347**	332
YouTube	**143**	108
Distributions to EFL Digital Member Clubs	**3,502**	2,603
	No.	No.
Number of EFL Digital Clubs	**67**	65
Average Number of iFollow subscribers	**56,904**	53,716

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 company 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 company's contractual obligations.

Financial risk management objectives and policies

The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

Strategic Report *(continued)*

Financial risk management objectives and policies *(continued)*

Cash flow risk

In order to fund the new Website Platform, the Company received a loan of £3,874,273 from The Football League 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 flows.

The company's activities do not expose it to material financial risks of changes in foreign currency exchange rates and interest rates. Therefore, there is no requirement for the use of foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.

Credit risk

The company's principal financial assets are bank balances, cash and 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. 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 concentration of the company's credit risk is spread over a small number of customers and therefore this has to be managed through a due diligence process prior to completion of any 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.

Research and development

In the current year, the company has incurred additional research and development expenditure of £nil *(2018: £nil)*.

Future developments

The directors expect the general level of activity within EFL Digital to remain consistent with 2018/19 in the forthcoming year.

Details of any significant events since the balance sheet date are contained in note 19 to the financial statements.

T.S. Detko

T S Detko
Director

EFL House
10-12 West Cliff
Preston
PR1 8HU

7 October 2019

Directors' Report

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

Going concern

The Company's business activities, together with the factors likely to affect its future development and its financial position are described in the Strategic Report on pages 2 and 3. The directors have a reasonable expectation that the company has 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)*.

Directors

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

N Craig
T S Detko
S A Harvey *(resigned 1 July 2019)*
B M Wright

Strategic Report

Disclosures required by s414C of the Companies Act 2006 which have been included within the Strategic Report on pages 2 and 3 are:

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

Disclosure of information to the 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, being information needed by the auditor in connection with preparing its report, 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.

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.

T.S. Detko

T S Detko
Director

EFL House
10-12 West Cliff
Preston
PR1 8HU

7 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 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 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 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 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 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 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 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 company and to prevent and detect fraud and other irregularities.

KPMG

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

Independent auditor's report to the members of EFL Digital Limited

Opinion

We have audited the financial statements of EFL Digital Limited ("the company") for the year ended 30 June 2019 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity 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 company's affairs as at 30 June 2019 and of its 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 company 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 company or to cease its operations, and as they have concluded that 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 its 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 company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

Going concern (continued)

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 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, 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, 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 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 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.

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

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

Profit and Loss Account and Other Comprehensive Income
for the year ended 30 June 2019

	Note	2019	2018
		£	£
Turnover	*2*	**13,251,442**	11,755,645
Staff costs	*3*	**-**	(155,416)
Other operating charges		**(14,050,184)**	(10,195,495)
Operating (loss)/profit	*5*	**(798,742)**	1,404,734
Interest receivable and similar income	*6*	**3,134**	875
Interest payable and similar charges	*7*	**(85,150)**	(98,213)
(Loss)/profit on ordinary activities before taxation		**(880,758)**	1,307,396
Tax on (loss)/profit on ordinary activities	*8*	**297,066**	(241,434)
(Loss)/profit for the financial year		**(583,692)**	1,065,962
Other comprehensive income		**-**	-
Total comprehensive (loss)/income for the year		**(583,692)**	1,065,962

All transactions derive from continuing activities.

The accompanying notes on pages 12 to 19 form part of the financial statements.

Balance Sheet
as at 30 June 2019

	Note	2019	2019	2018	2018
		£	£	£	£
Fixed assets					
Intangible assets	*9*		**4,251,345**		4,596,096
Current assets					
Debtors	*10*	**1,313,264**		284,479	
Cash at bank and in hand		**1,647,458**		2,757,390	
		2,960,722		3,041,869	
Creditors: amounts falling due within one year	*11*	**(3,580,624)**		(2,845,326)	
Net current (liabilities)/assets			**(619,902)**		196,543
Creditors: amounts falling due after more than one year	*12*		**(1,839,372)**		(2,416,876)
Net assets			**1,792,071**		2,375,763
Capital and reserves					
Called up share capital	*13*		**1,000**		1,000
Capital contribution reserve	*13*		**349,335**		349,335
Profit and loss account			**1,441,736**		2,025,428
Shareholder's funds			**1,792,071**		2,375,763

These financial statements were approved by the board of directors on 7 October 2019 and were signed on its behalf by:

T.S. Detko

T S Detko
Director

Company registered number: 4112553

The accompanying notes on pages 12 to 19 form part of the financial statements.

Statement of Changes in Equity
for the year ended 30 June 2019

	Called up Share capital £	Capital contribution reserve £	Profit and loss account £	Total equity £
Balance at 1 July 2017	1,000	548,372	959,466	1,508,838
Total comprehensive income for the period				
Profit	-	-	1,065,962	1,065,962
Discounting on loan due to parent undertaking	-	(199,037)	-	(199,037)
Total comprehensive income for the period	-	(199,037)	1,065,962	866,925
Balance at 30 June 2018	**1,000**	**349,335**	**2,025,428**	**2,375,763**

	Called up Share capital £	Capital contribution reserve £	Profit and loss account £	Total equity £
Balance at 1 July 2018	1,000	349,335	2,025,428	2,375,763
Total comprehensive loss for the period				
Loss	-	-	(583,692)	(583,692)
Total comprehensive loss for the period	-	-	(583,692)	(583,692)
Balance at 30 June 2019	**1,000**	**349,335**	**1,441,736**	**1,792,071**

The accompanying notes on pages 12 to 19 form part of the financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

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

Basis of preparation

EFL Digital Limited (the "company") is a company incorporated and domiciled in the United Kingdom. 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 and 3.

The financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (*"FRS 102"*). The presentation currency of these financial statements is sterling.

The company's ultimate parent undertaking, The Football League Limited includes the company in its consolidated financial statements. The consolidated financial statements of The Football League Limited are available to the public and may be obtained from Companies House. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of the Football League Limited include the equivalent disclosures, the company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The company proposes to continue to adopt the exemptions available under FRS102 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. Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed within note 20.

Going concern

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

Notwithstanding net current liabilities of £619,902 as at 30 June 2019 and a loss for the year then ended of £583,692, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its ultimate parent company, The Football League, to meet its liabilities as they fall due for that period.

Notes *(continued)*

1 Accounting policies *(continued)*

The Football League Limited has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Intangible assets – internet and media rights

The company has a licence for the exploitation of certain internet and other commercial rights granted to it by The Football League Limited and by the Participating Clubs, the cost of which had been capitalised as an asset. For the 2018/19 season there were 58 EFL *(2017/18: 58)* and 9 Non EFL *(2017/18: 7)* Clubs opted into the licence agreement running from 1 July 2017 up to 30 June 2023.

The carrying values of intangible assets are reviewed for impairment, if events or changes in circumstances indicate that those carrying values may not be reasonable.

Intangible assets - Website research and development costs

Website research expenditure is written off as incurred. In accordance with FRS 102, website design and development costs are capitalised as intangible assets, having previously been capitalised as tangible fixed assets, only to the extent that the directors are satisfied as to the technical, commercial and financial viability of the individual project. Historically, all costs incurred from the development of the new platform for the EFL Digital network were capitalised. 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.

Development costs attached to the platform have been capitalised and will be amortised 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 - 72 months

Deferred income

Deferred income comprises of subscription income received prior to the year-end in respect of the next football season.

Taxation

The taxation charge for the year is detailed in note 8.

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 charge for taxation is based on the profit or 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.

Notes *(continued)*

1 Accounting policies *(continued)*

Pension costs

Retirement benefits to eligible employees are provided by way of contributions to a company personal pension plan. The amounts charged to operating profit are the contributions payable in the year. They are included as part of a management recharge from The Football League Limited. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Loan due to parent undertaking

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest rate method, less any impairment losses.

2 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. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. All turnover arises in the United Kingdom, with the exception of £1,452,191 *(2018: £1,277,396)* which arises from the sale of subscriptions to the iFollow product to overseas customers, of which sales to the United States totalled £381,413 (2018: £333,085) and Australia totalled £157,857 (2018: £160,362), with the remaining £912,921 (2018: £783,949) being sold to a number of different countries.

3 Staff Costs

	2019	2018
	£	£
Staff costs during the year:		
Wages and salaries	-	127,928
Social security costs	-	14,926
Other pension costs	-	12,562
	-	155,416

The average monthly number of employees was nil *(2018 - 2)*.

All employees of the Company were transferred to The Football League Limited on 1 April 2018, since when management charges of £261,633 in respect of the year ended 30 June 2019 *(2018: £73,841)* have been made by The Football League Limited to EFL Digital Limited to cover the wage costs of employees engaged in the business of EFL Digital. This management charge has been included in Other Operating charges.

4 Directors' remuneration

	2019	2018
	£	£
The total amounts for directors' remuneration and other benefits were as follows:		
Emoluments	-	-

In addition, there were no pension contributions made on behalf of the Directors in the year (*2018: £nil*).

The remuneration for the current directors' services to the company is borne by the parent undertaking. An allocation of the services provided would not be material and therefore no amount has been attributed.

Notes *(continued)*

5 Expenses and auditor's remuneration

	2019 £	2018 £
Operating (loss)/profit is stated after charging:		
Amortisation of intangible fixed assets	**1,049,817**	891,245
Fees payable to the company auditor for the audit of the company's annual accounts	**8,300**	7,475
Fees payable to the company auditor for other services:		
Corporation tax compliance	**1,040**	1,040
Other services	**-**	16,000

6 Net interest receivable and similar income

	2019 £	2018 £
Interest receivable	**3,134**	875

7 Net interest payable and similar charges

	2019 £	2018 £
Interest payable on parent undertaking loan (notional interest rate 3%)	**85,150**	98,213

8 Taxation

Total tax (credit)/charge recognised in the profit and loss account and other comprehensive income and equity

	2019 £	2019 £	2018 £	2018 £
Current tax				
Current tax on income for the period	(69,724)		250,527	
Adjustments in respect of prior periods	(154,000)		(26,803)	
Total current tax (credit)/charge		**(223,724)**		223,724
Deferred tax				
Origination and reversal of timing differences	(73,342)		17,710	
Total deferred tax (credit)/charge		**(73,342)**		17,710
Total tax (credit)/charge		**(297,066)**		241,434

Notes *(continued)*

8 Taxation *(continued)*

	2019 Current tax	2019 Deferred tax	2019 Total tax	2018 Current tax	2018 Deferred tax	2018 Total tax
	£	**£**	**£**	£	£	£
Recognised in profit and loss account	**(223, 724)**	**(73,342)**	**(297,066)**	223,724	17,710	241,434

Reconciliation of effective tax rate

	2019	2018
	£	£
(Loss)/profit for the year	**(583,692)**	1,065,962
Total tax (credit)/expense	**(297,066)**	241,434
(Loss)/profit excluding taxation	**(880,758)**	1,307,396
Tax on (loss)/profit at standard UK corporation tax rate of 19% *(2018: 19%)*	**(167,344)**	248,405
Expenses not deductible for tax purposes	**195**	206
Adjustment to tax charge in respect of previous periods	**(154,000)**	-
Other	**24,083**	(7,177)
Total tax (credit)/expense included in profit or loss	**(297,066)**	241,434

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

Notes *(continued)*

9 Intangible fixed assets

	Internet & Media Rights £	Website Development Costs £	Total £
Cost			
At 1 July 2018	34,872,380	5,487,340	40,359,720
Additions	-	705,066	705,066
At 30 June 2019	34,872,380	6,192,406	**41,064,786**
Amortisation			
At 1 July 2018	34,872,379	891,245	35,763,624
Charge for the year	-	1,049,817	1,049,817
At 30 June 2019	34,872,379	1,941,062	**36,813,441**
Net book value			
At 30 June 2019	**1**	**4,251,344**	**4,251,345**
At 30 June 2018	1	4,596,095	4,596,096

10 Debtors

	2019 £	2018 £
Trade debtors	**15,358**	3,951
Other debtors	**34,500**	80,269
Amounts due from parent undertaking	**689,155**	18,730
VAT receivable	**147,420**	-
Corporation tax	**69,723**	-
Deferred tax	**73,342**	-
Prepayments and accrued income	**283,766**	181,529
	1,313,264	284,479

Notes *(continued)*

11 Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	**346,582**	41,691
Amounts owed to parent undertaking	**1,163,434**	261,605
Corporation tax	**-**	87,811
Accruals and deferred income	**1,493,103**	1,779,469
VAT payable	**-**	114,188
Loan due to parent undertaking	**577,505**	560,562
	3,580,624	2,845,326

12 Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Loan due to parent undertaking	**1,839,372**	2,416,876

In order to fund the new Platform, the Company received a loan from The Football League Limited of £3,874,273 which has been discounted using an imputed interest rate of 3%. The loan is repayable over the length of the new licence agreement, payable in 12 instalments, and running up to 30 June 2023. At the year end the Company had an outstanding balance of £2,416,877 *(2018: £2,977,438).*

13 Capital and reserves

Allotted, called up and fully paid	2019 £	2018 £
1,000 ordinary shares of £1 each	**1,000**	1,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Capital contribution reserve

The capital contribution reserve comprises the interest expense in relation to the loan due to the parent undertaking.

14 Financial commitments

Capital commitments are as follows:	2019 £	2018 £
Website development costs	**22,667**	352,599

Operating lease commitments

There were no operating lease commitments at 30 June 2019 (*2018: £nil*).

15 Contingent liabilities

There were no contingent liabilities at 30 June 2019 (*2018: £nil*).

Notes *(continued)*

16 Pension scheme

The Football League Limited operates a defined contribution pension scheme for all qualifying employees. The management charge made by The Football League Limited to EFL Digital Limited to cover the wage costs of 4 employees between 1 July 2018 and 30 June 2019 disclosed in Note 3 includes contributions payable by the Football League Limited to the scheme for those employees and amounted to £22,219 (*2018: £12,562*).

Contributions amounting to £nil (*2018: £nil*) were outstanding at the year end.

17 Related party transactions

The company distributed amounts to The Football League Limited, the ultimate parent company, in relation to income that was generated using The Football League Limited's rights of £594,105 (*2018: £384,251*). The company also received amounts from The Football League Limited in relation to a proportion of The Football League Limited's broadcasting and sponsorship monies that related to internet and media rights of £6,802,983 (*2018: £6,801,389). * A management recharge of £261,633 *(2018: £73,841)* was made to the company from The Football League Limited in relation to staff costs for employees who transferred to The Football League Limited on 1 April 2018. At the year-end an amount of £689,155 *(2018: £18,730)* was payable to the company by The Football League Limited and an amount of £1,163,434 (*2018: £261,605*) was payable by the company to The Football League Limited. At the year end the company also had a discounted loan balance amount outstanding with The Football League Limited of £2,416,877 *(2018: £2,977,438).* An interest charge of £85,150 *(2018: £98,213*) was incurred in the year in relation to the loan from The Football League Limited.

18 Ultimate parent company and controlling party

The ultimate parent company is The Football League Limited, EFL House, 10-12 West Cliff, Preston, PR1 8HU. This company heads the largest and smallest group in which the results of the company are consolidated.
Copies of the consolidated financial statements of The Football League Limited are available to the public from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

19 Subsequent events

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

20 Key judgements and estimates

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:

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