

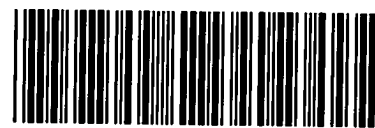
EFL Digital Limited

Annual report and financial statements

Registered number 04112553

Period ended 31 July 2023

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EFL Digital Limited
Annual report and financial statements
For the period ended 31 July 2023

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Officers and Professional Advisors

Directors

T N Birch
J A G Karran
B M Wright

Secretary

N Craig

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

Independent Auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
11th Floor
Landmark
St Peter's Square
1 Oxford Street
Manchester
M1 4PB

Strategic Report

The directors present their strategic report of the company for the period ended 31 July 2023.

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 period under review and continue to seek growth both in new areas and through the delivery of "Live Streams" to customers on a global basis whilst making every effort to retain established revenue sources.

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

A strategic decision was made to extend the EFL Digital agreement by one additional season (2023/24) to align it with the expiration of other key commercial agreements for the EFL. The EFL Digital board are now consulting with clubs on the new Digital platform, which would launch on 1st July 2024.

The results for the period are set out on page 11. Turnover increased by £71k to £17,921k (2022: £17,850k). This increase was driven by the increase in UK "Live Stream" sales. In 2022/23 there was an increase in the fixtures available for streaming especially during the World Cup in December 2022. During the World Cup there was a temporary suspension of Article 48, allowing all fixtures at 3pm on a Saturday to be streamed live domestically. Total expenditure has increased by £22k to £17,724k (2022: £17,702k) driven by an overall distributions increase to both EFL Digital and Non-EFL Digital Clubs of £465k to £11,249k (2022: £10,784k). This was offset by the £522k reduction in Platform Amortisation to £675k (2022: £1,197k). The one-year extension to the EFL Digital platform meant that the amortisation had to be adjusted to ensure that the platform would be amortised down to £nil by the end of June 2024 rather than June 2023.

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:

	2023 £'000	2022 £'000
Revenues		
Syndication	5,554	5,489
iFollow Product	7,653	7,528
Advertising	3,036	3,096
Service Fees	1,078	1,145
Betting	310	358
YouTube	290	234
 Distributions to EFL Digital Member Clubs	 6,653	 6,484
	No.	No.
Number of EFL Digital Clubs	48	53
iFollow subscribers at the Year End	21,908	25,483

The 43 EFL Clubs (2022: 48) on the EFL Digital platform had 49,092 domestic audio unique customers during the period (2022: 66,000) and 42,238 international streaming unique customers (2022: 40,304) made up of 7,472 season ticket holders (2022: 7,985), 2,185 monthly pass holders (2022: 3,595) and 34,277 match pass holders (2022: 31,265) who between them purchased 124,618 international match passes (2022: 123,619).

During the period, the UK Live Streaming product for the 43 EFL Clubs (2022: 48) within the platform produced 121,586 unique customers (2022: 123,253), who between them purchased 504,924 UK match passes (2022: 489,761).

Strategic Report (continued)**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.

Cash flow risk

In order to fund the new Website Platform in 2017, the Company received a loan of £3,874,273 from The Football League Limited which was repayable over the length of the original licence agreements running up to 30 June 2023. During the period, the final instalment was made and therefore at the period-end the outstanding balance was £nil (2022: £631,469).

The current Distribution model would enable the company to react accordingly to any potential changes that would affect EFL Digital's iFollow revenue.

Cash flow forecasts have been prepared up to 31st December 2024 incorporating the extension of the original Digital contract to 30th June 2024 and also incorporating assumptions on the new platform starting from 1st July 2024. These forecasts provide a positive cash headroom throughout each month.

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 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 period, the company has incurred additional research and development expenditure of £nil (2022: £nil).

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Strategic Report *(continued)*

Future developments

The Digital contracts with Clubs have been extended for an additional year, from 30th June 2023 to 30th June 2024. This provided the Clubs with the same Website Platform and same streaming opportunity that they utilised in the 2022/23 season.

The EFL Digital board are now consulting with clubs on the new Digital platform, which would launch on 1st July 2024.

Trevor Birch

Trevor Birch
Director

EFL House
10-12 West Cliff
Preston
PR1 8HU

7th December 2023

Directors' Report

The directors present their annual report and the audited financial statements for the period ended 31 July 2023.

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, 3 and 4. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

As stated within the Strategic Report, the original licence agreements in place with clubs were due to expire on 30th June 2023. Following discussions with Clubs and approval from the EFL and EFL Digital Board, Clubs have now signed agreements to extend their contracts with EFL Digital onto 30th June 2024. This has provided the Clubs with the same Website Platform and streaming opportunity that they utilised in 2023.

A Club survey was issued to gauge the interest in EFL Digital providing Club websites following the 2023/24 season. A number of Clubs returned the survey in favour of EFL Digital providing Club websites following the 2023/24 season. Following the Club survey a request for proposal was issued to potential suppliers, to start the preparations for a new platform starting on 1st July 2024.

Cash Flow forecasts have been prepared up to 31st December 2024 incorporating the assumption for the new platform launching on 1st July 2024. The assumptions are based on EFL Digital providing a website and a streaming platform service for the interested Clubs. These forecasts provide a positive cash headroom throughout each month.

Significant sensitivities have also been assessed against the forecast, including increased delivery costs and administration costs, and even factoring these in, there is positive headroom. The Company also has the option to adjust the Club distribution method if required.

The Football League Limited has indicated its intention through a letter of support 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.

Thus the Company continues 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 (2022: £nil).

Change of financial period end

The financial statements have been prepared for the period 29 July 2022 to 31 July 2023. The financial period end in 2021/22 was temporarily adjusted from 31 July to 28 July to align with the end of the 2021/22 football season.

The comparative figures for the income statements, statements of changes in equity, cash flow statements and the related notes are for the period from 1 August 2021 to 28 July 2022.

Qualifying Third Party Indemnity Provisions

There are no third party indemnity provisions held by the company.

Directors

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

T N Birch
B M Wright
J A G Karran

Directors' Report *(continued)*

Strategic Report

Disclosures required by s414C of the Companies Act 2006 which have been included within the Strategic Report on pages 2, 3 and 4 are:

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

Directors' Responsibilities Statement

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, 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 and profit 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, subject to any material departures disclosed and explained in the financial statements;
- 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 confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

In accordance with Section 485 of the Companies Act 2006, a resolution for the re-appointment appointment of Grant Thornton UK 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.

Trevor Birch

Trevor Birch
Director

EFL House
10-12 West Cliff
Preston
PR1 8HU

7th December 2023

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 period from 29 July 2022 to 31 July 2023 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2023 and of its profit for the period 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of EFL Digital Limited (*continued*)

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the company and the industry in which it operates. We determined the most significant laws and regulations which are directly relevant to specific assertions in the financial statements are the Companies Act 2006 and FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. We obtained an understanding of how the company is complying with those legal and regulatory frameworks by making inquiries of management and those responsible for legal and compliance procedures. We corroborated the results of our inquiries to supporting documentation such as board minutes.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the group engagement team included:
 - Evaluation of the processes and controls established to address the risks related to irregularities and fraud;
 - Making inquiries, in respect of fraud, of those outside the finance team, including key management and the board;
 - Challenging assumptions and judgements made by management in the company's significant accounting estimates;
 - Identifying and testing unusual journal entries; and
 - Identifying and testing related party transactions.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's knowledge of the industry in which the company operates; and the understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation.

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

Auditor's responsibilities for the audit of the financial statements (continued)

- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - The company's operations, including the nature of its revenue sources, expected financial statement disclosures and business risks that may result in risk material misstatement; and
 - The company's control environment including the adequacy of procedures for authorisation of transactions.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Grant Thornton UK LLP

7th December 2023

Paul Bamber MA FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester

Profit and Loss Account and Other Comprehensive Income
for the period ended 31 July 2023

	Note	2023 £	2022 £
Turnover	2	17,920,729	17,849,787
Other operating charges		(17,723,788)	(17,701,511)
Operating profit	5	196,941	148,276
Interest receivable and similar income	6	44,448	1,870
Interest payable and similar charges	7	(14,243)	(32,769)
Profit before taxation		227,146	117,377
Tax on profit	8	(67,113)	(4,833)
Profit for the financial period		160,033	112,544
Other comprehensive income		-	-
Total comprehensive income for the period		160,033	112,544

All transactions derive from continuing activities.

The accompanying notes on pages 14 to 22 form part of the financial statements.

EFL Digital Limited
Annual report and financial statements
For the period ended 31 July 2023

Balance Sheet
as at 31 July 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Intangible assets	9		449,484		1,117,176
Current assets					
Debtors	10	923,052		1,443,754	
Cash at bank and in hand		1,582,842		518,400	
		<u>2,505,894</u>		<u>1,962,154</u>	
Creditors: amounts falling due within one year	11	<u>(1,238,803)</u>		<u>(1,522,788)</u>	
Net current assets			<u>1,267,091</u>		<u>439,366</u>
Net assets			<u>1,716,575</u>		<u>1,556,542</u>
Capital and reserves					
Called up share capital	12		1,000		1,000
Capital contribution reserve	12		-		349,335
Profit and loss account			<u>1,715,575</u>		<u>1,206,207</u>
Shareholder's funds			<u>1,716,575</u>		<u>1,556,542</u>

These financial statements were approved by the board of directors and were subsequently signed on 7th December 2023 on its behalf by:

Trevor Birch

Trevor Birch
Director

Company registered number: 04112553

The accompanying notes on pages 14 to 22 form part of the financial statements.

Statement of Changes in Equity
for the period ended 31 July 2023

	Called up Share capital £	Capital contribution reserve £	Profit and loss account £	Total equity £
Balance at 1 August 2021	1,000	349,335	1,093,663	1,443,998
Total comprehensive income for the period				
Profit for the period	-	-	112,544	112,544
Total comprehensive income for the period	-	-	112,544	112,544
Balance at 28 July 2022	1,000	349,335	1,206,207	1,556,542
	Called up Share capital £	Capital contribution reserve £	Profit and loss account £	Total equity £
Balance at 29 July 2022	1,000	349,335	1,206,207	1,556,542
Total comprehensive income for the period				
Profit for the period	-	-	160,033	160,033
Transfer of capital contribution on expired loan	-	(349,335)	349,335	-
Total comprehensive income for the period	-	(349,335)	509,368	160,033
Balance at 31 July 2023	1,000	-	1,715,575	1,716,575

The accompanying notes on pages 14 to 22 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, 3 and 4.

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 19.

Change of financial period end

The financial statements have been prepared for the period 29 July 2022 to the 31 July 2023. The 2022 financial period end was temporarily adjusted from 31 July to 28 July to align with the end of the 2021/22 football season.

The comparative figures for the income statements, statements of changes in equity, cash flow statements and the related notes are for the period from 1 August 2021 to 28 July 2022.

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.

The company has net current assets of £1,267,091 as at 31 July 2023 and a profit for the period then ended of £160,033. The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

Notes (continued)**1 Accounting policies (continued)****Going concern (continued)**

As stated within the Strategic Report, the original licence agreements in place with clubs were due to expire on 30th June 2023. Following discussions with Clubs and approval from the EFL and EFL Digital Board, Clubs have now signed agreements to extend their contracts with EFL Digital onto 30th June 2024. This will provide the Clubs with the same Website Platform and streaming opportunity that they currently utilise.

Cash flow forecasts have been prepared up to 31st December 2024 incorporating the assumption for the new platform launching on 1st July 2024. The assumptions are based on EFL Digital providing a website and a streaming platform service for the interested Clubs. These forecasts provide a positive cash headroom throughout each month.

Significant sensitivities have also been assessed against the forecast, including increased delivery costs and administration costs, and even factoring these in, there is positive headroom. The Company also has the option to adjust the Club distribution method if required.

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 2022/23 season there were 43 EFL (2021/22: 48) and 5 Non EFL (2021/22: 5) Clubs opted into the licence agreement.

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 amortised up to 30 June 2024. In November 2022 the extension of the platform was agreed, confirming that it would now run until 30th June 2024 rather than 30th June 2023. Therefore, the rate of amortisation was adjusted from November 2022 onwards. The total carrying value at 1st November 2022 will be amortised equally over the remaining 20 months.

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 - 84 months
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Deferred income

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

Taxation

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

Notes (continued)**1 Accounting policies (continued)****Taxation (continued)**

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 period 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.

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 period. They are included as part of a management recharge from The Football League Limited. Differences between contributions payable in the period 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. With the final instalment of the EFL loan being repaid on 30th June 2023, the capital contribution balance of £349,335 has been reallocated to the profit and loss reserves.

2 Turnover

Turnover represents amounts receivable for services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Business to Consumer subscription sales are recognised over the period the subscriptions are active. All other contracted income is recognised in the relevant financial period. 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 £1,247,139 (2022: £1,270,690) which arises from the sale of subscriptions to the iFollow product to overseas customers, of which sales to the United States totalled £411,494 (2022: £375,717) and Australia totalled £164,638 (2022: £163,411), with the remaining £671,007 (2022: £731,562) being sold to a number of different countries.

3 Staff Costs

All employees of the Company were transferred to The Football League Limited on 1 April 2018. Management charges of £419,297 in respect of the period ended 31 July 2023 (2022: £335,845) 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

	2023	2022
	£	£
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 period (2022: £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**

	2023 £	2022 £
Operating profit is stated after charging:		
Amortisation of intangible fixed assets	675,192	1,197,218
Fees payable to the company auditor for the audit of the company's annual accounts	17,850	17,000
	<u> </u>	<u> </u>

6 Net interest receivable and similar income

	2023 £	2022 £
Interest receivable	44,448	1,870
	<u> </u>	<u> </u>

7 Net interest payable and similar charges

	2023 £	2022 £
Interest payable on parent undertaking loan	14,243	32,769
	<u> </u>	<u> </u>

8 Taxation

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

	2023 £	2023 £	2022 £	2022 £
<i>Current tax</i>				
Current tax on income for the period	67,113	-	-	-
Adjustments in respect of prior periods	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total current tax charge		67,113		-
<i>Deferred tax</i>				
Origination and reversal of timing differences	-	-	4,833	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total deferred tax charge		-		4,833
		<u> </u>		<u> </u>
Total tax charge		67,113		4,833
		<u> </u>		<u> </u>

Notes *(continued)***8 Taxation** *(continued)*

	Current tax	Deferred tax	2023 Total tax	Current tax	Deferred tax	2022 Total tax
	£	£	£	£	£	£
Recognised in profit and loss account	67,113	-	67,113	-	4,833	4,833
Reconciliation of effective tax rate						
				2023 £		2022 £
Profit for the period				160,033		112,544
Total tax charge				67,113		4,833
Profit excluding taxation				227,146		117,377
Tax on profit at standard UK corporation tax rate of 21% (2022: 19%),				47,701		22,302
Expenses not deductible for tax purposes				269		197
Change in tax rates on brought forward balances				-		(42,643)
Change in tax rates on deferred tax at 25% for current period				-		7,042
Other				19,143		17,935
Total tax charge included in profit and loss account				67,113		4,833

Notes (continued)**9 Intangible fixed assets**

	Internet & Media Rights £	Website Development Costs £	Total £
Cost			
At 29 July 2022	34,872,380	6,606,278	41,478,658
Additions	-	7,500	7,500
At 31 July 2023	34,872,380	6,613,778	41,486,158
Amortisation			
At 29 July 2022	34,872,379	5,489,103	40,361,482
Charge for the period	-	675,192	675,192
At 31 July 2023	34,872,379	6,164,295	41,036,674
Net book value			
At 31 July 2023	1	449,483	449,484
At 28 July 2022	1	1,117,175	1,117,176

In November 2022 the extension of the platform was agreed, confirming that it would now run until 30th June 2024 rather than 30th June 2023. Therefore, the rate of amortisation was adjusted from November 2022 onwards. The total carrying value at 1st November 2022 will be amortised equally over the remaining 20 months.

10 Debtors

	2023 £	2022 £
Trade debtors	198,464	94,147
Amounts due from parent undertaking	130,418	231,612
VAT receivable	381,880	561,487
Deferred tax	-	130,201
Prepayments and accrued income	212,290	426,307
	923,052	1,443,754

Amounts due from parent undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Notes (continued)**11 Creditors: Amounts falling due within one year**

	2023 £	2022 £
Trade creditors	202,815	53,161
Amounts owed to parent undertaking	540,789	121,579
Corporation Tax	67,113	-
Accruals and deferred income	428,086	716,579
Loan due to parent undertaking	-	631,469
	<u>1,238,803</u>	<u>1,522,788</u>

Amounts owed to parent undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

In order to fund the new Platform, in 2017 the Company received a loan from The Football League Limited of £3,874,273 which was discounted using an imputed interest rate of 3%. The loan was repayable over the length of the ongoing licence agreement, payable in 12 instalments, and running up to 30 June 2023. During the period the final instalment has been paid and therefore at the period end the Company had an outstanding balance of £nil (2022: £631,469).

12 Capital and reserves

	2023 £	2022 £
<i>Allotted, called up and fully paid</i>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

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 of £nil (2022: £349,335) comprised the present value of the discounting made in relation to the loan due to the parent undertaking. It has been released to the profit and loss reserve following the final repayment of the loan on 30 June 2023.

13 Financial commitments*Capital commitments*

There were no capital commitments at 31 July 2023 (2022: £nil).

Operating lease commitments

There were no operating lease commitments at 31 July 2023 (2022: £nil).

Notes (continued)**14 Contingent liabilities**

There were no contingent liabilities at 31 July 2023 (2022: *£nil*).

15 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 6 (2022: 4) employees between 29 July 2022 and 31 July 2023 disclosed in Note 3 includes contributions payable by the Football League Limited to the scheme for those employees and amounted to £30,043 (2022: £22,394).

Contributions amounting to *£nil* (2022: *£nil*) were outstanding at the period end.

16 Deferred Tax

Deferred tax assets and liabilities are attributable to the following:

Company	Assets		Liabilities		Net	
	2023	2022	2023	2022	2023	2022
	£	£	£	£	£	£
Unused tax losses	-	130,201	-	-	-	130,201
Tax assets / (liabilities)	-	130,201	-	-	-	130,201

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 £447,017 (2022: £458,089), and is included within other operating charges. 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 £8,411,862 (2022: £8,417,286). A management recharge of £419,297 (2022: £335,845) 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 period-end an amount of £130,417 (2022: £231,612) was payable to the company by The Football League Limited and an amount of £540,789 (2022: £121,579) was payable by the company to The Football League Limited. At the period end the company had a discounted loan balance amount outstanding with The Football League Limited of *£nil* (2022: £631,469). An interest charge of £14,243 (2022: £32,769) was incurred in the period 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.

Notes (continued)

19 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 period. 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:

Intangible Asset amortisation

In November 2022 the extension of the platform was agreed, confirming that it would now run until 30th June 2024 rather than 30th June 2023. Therefore, the rate of amortisation was adjusted from November 2022 onwards. The total carrying value at 1st November 2022 will be amortised equally over the remaining 20 months.

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.