

The Football League Limited
Financial Statements
For The Year Ended 30 June 2000



The Football League Limited

Chairman:
K R HARRIS

Board of Directors:

N G BLACKBURN
E J BOWLER
D C BURNS
P J HEARD
B M W HEARN
L ROGERS
I H STOTT

Secretary and Registered Office:

J D DENT
Edward VII Quay, Navigation Way, Preston, PR2 2YF

Auditors:

RUSHTONS
Starkie House, Winckley Square, Preston, PR1 3JJ

Solicitors:

Hammond Suddards Edge
Rutland House, 148 Edmund Street, Birmingham, B3 2JR

Bankers:

BARCLAYS BANK PLC
56 St Annes Road West, St Annes on Sea

Company Number:

80612

Report of the Directors

The Directors submit their report and financial statements for the year ended 30 June 2000.

PRINCIPAL ACTIVITY

The principal activity of the Company continues to be the organisation of League Football and the protection and promotion of League Football and Football League Clubs.

DIRECTORS AND THEIR INTERESTS

The names of the current Directors of the Company, as listed on page 1, together with the names of the Directors who served during the year are as set out below:

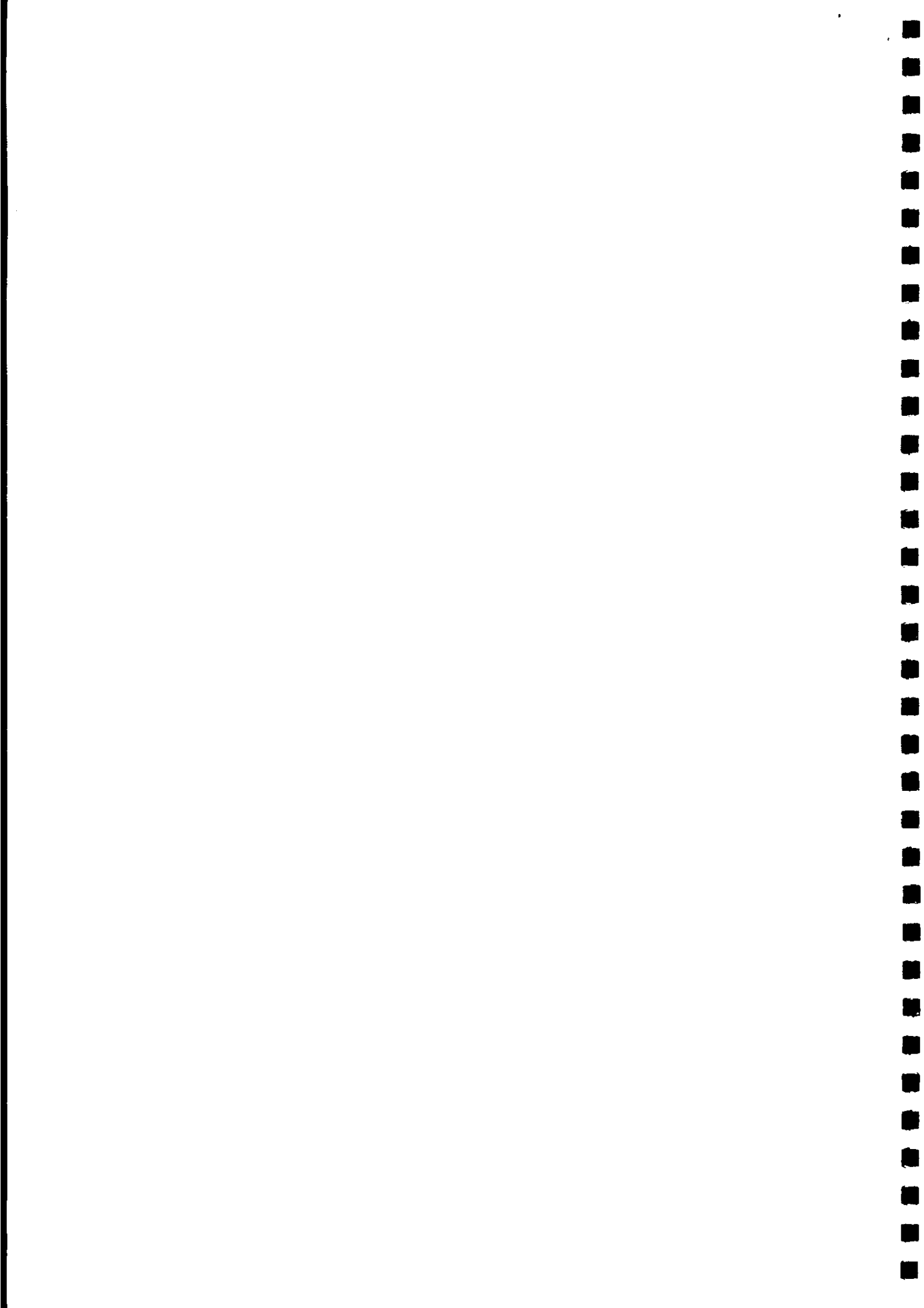
N G Blackburn	(appointed 29 June 2000)
E J Bowler	
D C Burns	(appointed 2 October 2000)
K R Harris	(appointed 20 July 2000)
P J Heard	
B M W Hearn	
J W McKeown	(appointed 4 January 2000, resigned 4 April 2000)
P J Middleton	(resigned 30 June 2000)
J P Richards	(resigned 5 September 2000)
L Rogers	(appointed 18 October 2000)
R C Scudamore	(resigned 5 November 1999)
D R Sheepshanks	(resigned 17 June 2000)
I H Stott	

None of the Directors has any beneficial interest in any share of the Company. The Football League Limited maintains insurance for its Directors in respect of their duties as Directors.

DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements which 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 those financial statements, the Directors are required to:-

- (i) select suitable accounting policies and then apply them consistently;
- (ii) make estimates and judgements that are reasonable and prudent;
- (iii) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and



Report of the Directors

DIRECTORS' RESPONSIBILITIES (continued)

- (iv) 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 so enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

BUSINESS REVIEW

The net profit for the year, after taxation, was £107,908 (1999: loss £130,892) which is added to reserves.

AUDITORS

The Auditors, Messrs Rushtons, have indicated their willingness to accept re-appointment under Section 385(2), Companies Act, 1985.

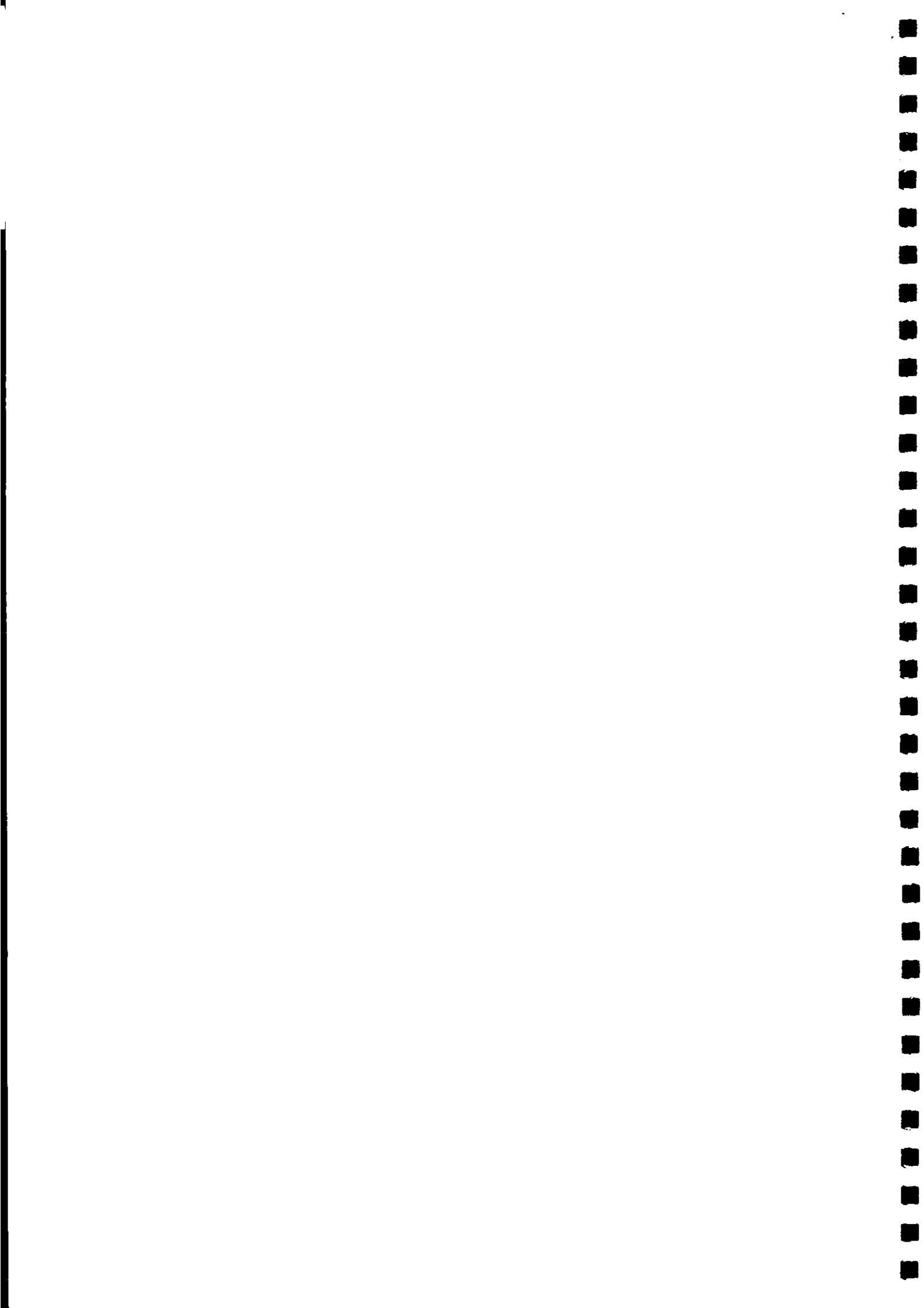
Signed on behalf of the Board of Directors



DIRECTOR

Date:

7/12/00



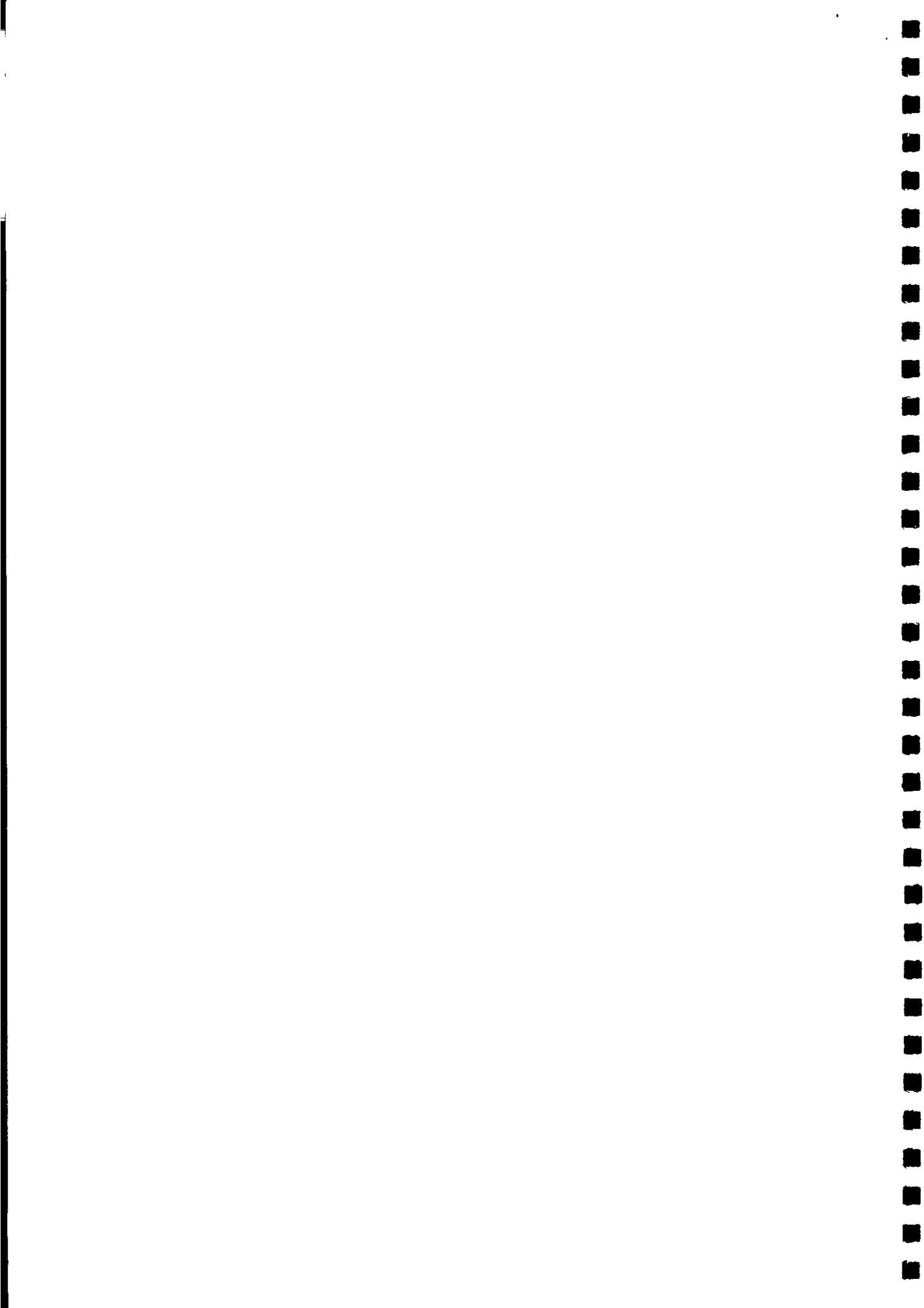
Profit and Loss Account

for the year ended 30 June 2000

	Notes	2000	1999
		£	£
Turnover	1(c), 2	43,613,926	38,854,433
External Charges		37,479,126	34,323,841
Other Operating Charges		5,043,089	3,632,664
Staff Costs	3 & 4	1,494,036	1,441,958
		<u>44,016,251</u>	<u>39,398,463</u>
Operating Loss	5	(402,325)	(544,030)
Loss on Sale of Fixed Assets	6	-	(139,844)
Profit on Sale of Fixed Assets	6	137,528	
		<u>(264,797)</u>	<u>(683,874)</u>
Loss before Interest and Tax			
Interest Receivable and Similar Income		445,041	692,256
		<u>180,244</u>	<u>8,382</u>
Interest Payable	7	(46,109)	(138,645)
		<u>134,135</u>	<u>(130,263)</u>
Profit/(Loss) on Ordinary Activities before Taxation			
Tax on Profit/(Loss) on Ordinary Activities	8	26,227	629
		<u>107,908</u>	<u>(130,892)</u>
Retained Profit/(Loss) for the Financial Year	15		

There are no recognised gains or losses for either year apart from the losses and profits for each of those financial years.

None of the Company's activities were acquired or discontinued during the above financial years.



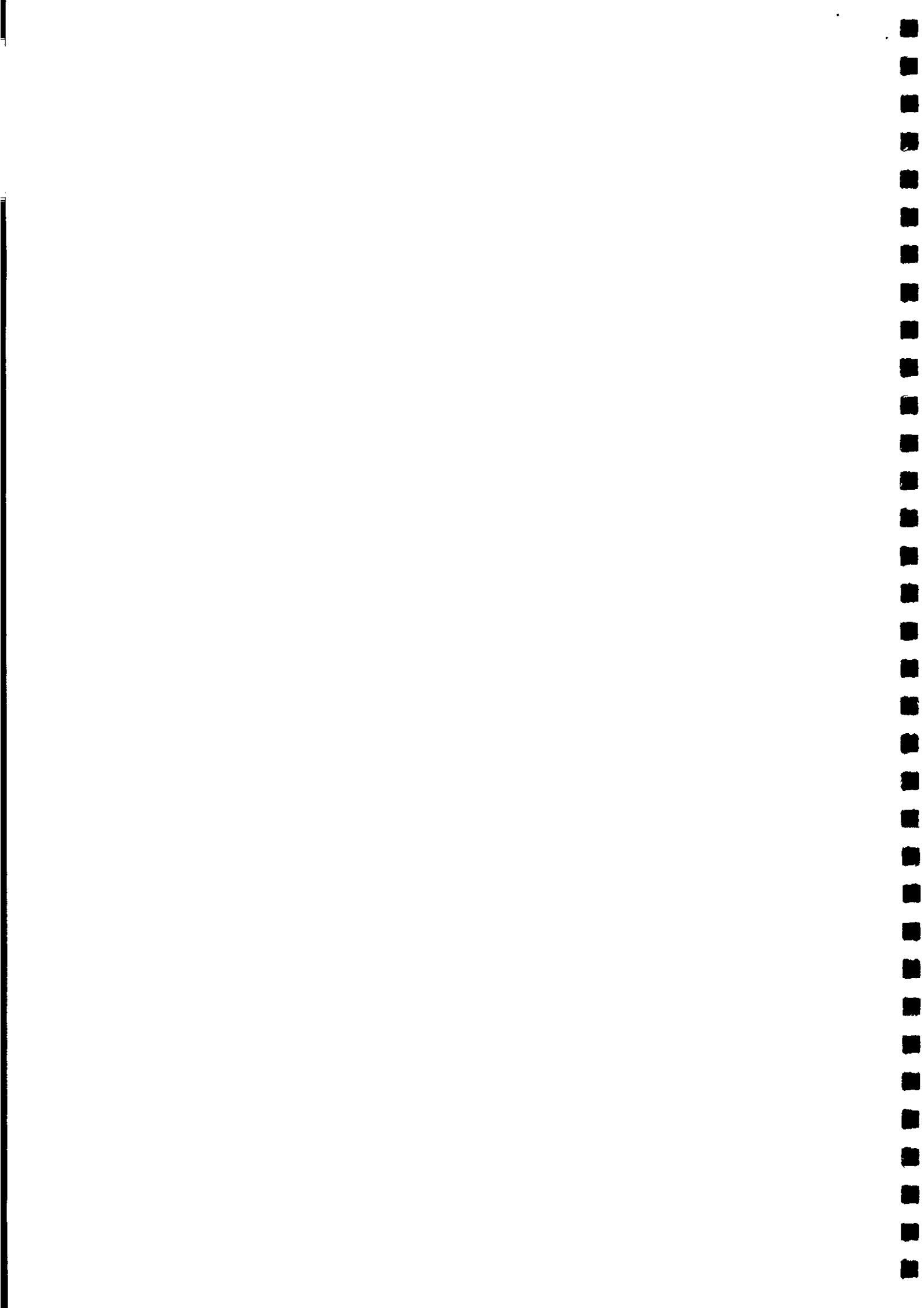
Balance Sheet

as at 30 June 2000

	Notes	2000		1999	
		£	£	£	£
FIXED ASSETS					
Tangible Assets	1(d),9		180,680		471,378
Shares in Group Company	10		100		100
CURRENT ASSETS					
Debtors	11	5,990,311		10,073,955	
Cash at Bank and in Hand	12	18,947,728		9,579,966	
		24,938,039		19,653,921	
CREDITORS					
Amounts falling due within one year	13	24,833,389		19,947,877	
Net Current Assets/(Liabilities)			104,650		(293,956)
			285,430		177,522
CAPITAL AND RESERVES					
Called up Share Capital	14		-		-
Revaluation Reserve	15		-		166,500
Profit and Loss Account	15		285,430		11,022
	19		285,430		177,522

These Accounts were approved by the Board of Directors on7/11/2000..... and were signed on its behalf by:


DIRECTOR



Cash Flow Statement

for the year ended 30 June 2000

	Notes	2000 £	1999 £
RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES			
Operating Loss		(402,325)	(544,030)
Depreciation and Profit/Loss on Sale of Tangible Fixed Assets		58,070	44,910
Increase in Bad Debt Provision		7,885	9,400
Decrease/(Increase) in Debtors		4,612,596	(2,029,658)
Increase in Creditors		6,294,935	1,750,317
Net Cash Inflow/(Outflow) from Operating Activities		10,571,161	(769,061)
CASH FLOW STATEMENT			
Net Cash Inflow/(Outflow) from Operating Activities		10,571,161	(769,061)
Returns on Investments and Servicing Finance	16	401,050	598,223
Taxation		(565,785)	758,039
Capital Expenditure	16	370,156	(232,759)
		10,776,582	354,442
Management of Liquid Resources	16	(11,949,500)	(882,000)
Financing	16	(1,408,820)	(345,727)
Decrease in Cash in the Year		(2,581,738)	(873,285)
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
	17		
Decrease in Cash in the Year		(2,581,738)	(873,285)
Cash Paid to Increase Liquid Resources		11,949,500	882,000
Change in Net Funds		9,367,762	8,715
Net Funds at the beginning of the Year		9,579,966	9,571,251
Net Funds at the end of the Year		18,947,728	9,579,966

Notes to the Accounts

for the year ended 30 June 2000

1. ACCOUNTING POLICIES

(a) Compliance with Accounting Standards:

The financial statements have been prepared in accordance with applicable accounting standards. There are no material departures from these standards.

(b) The financial statements are prepared on the historical cost basis.

(c) Turnover represents the income receivable by the Company, excluding

- (i) VAT and discounts, and
- (ii) amounts credited directly to the pool accounts.

(d) (i) Improvements to the Short Leasehold Premises are written down on a straight line basis over the length of the lease.

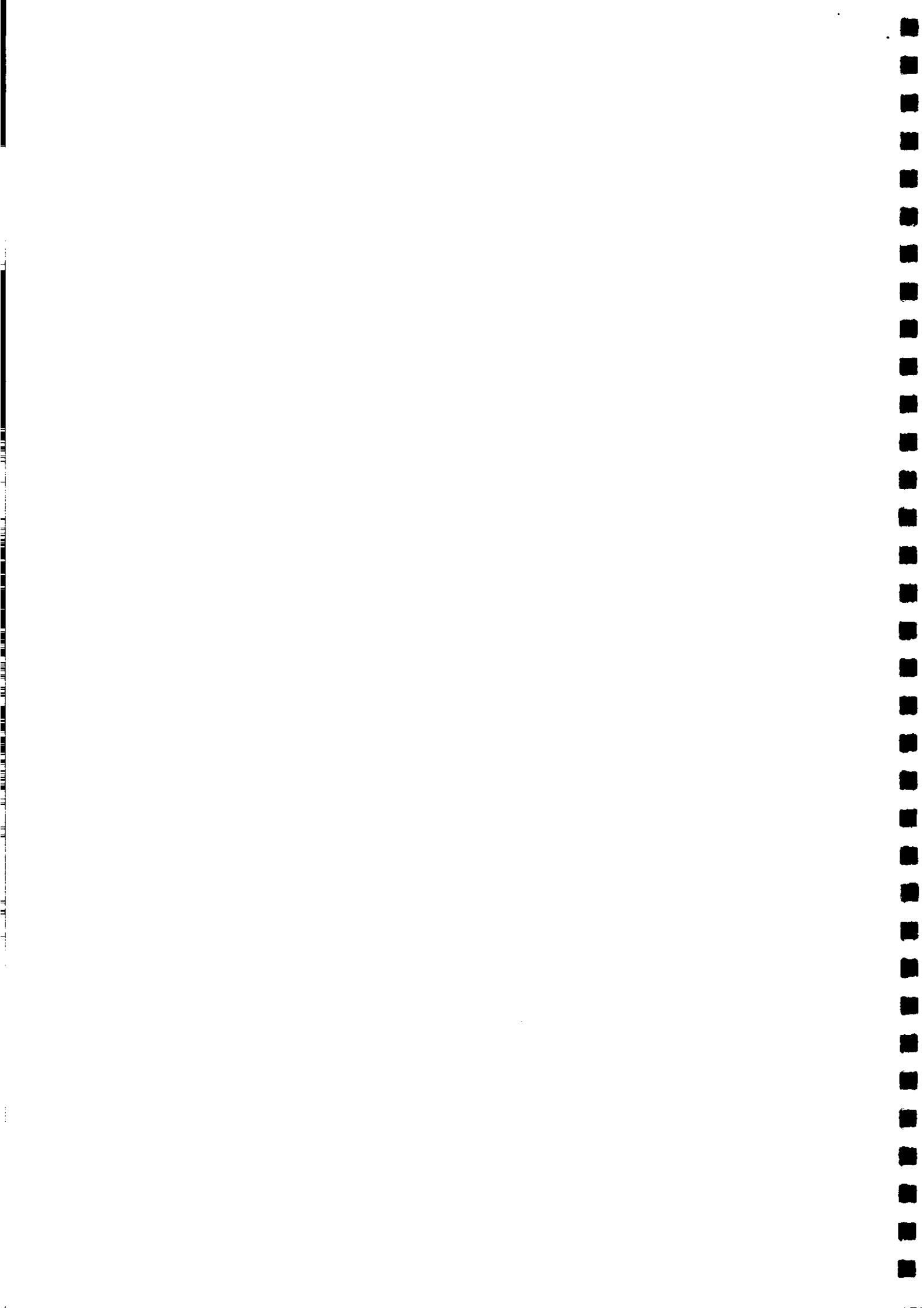
(ii) Depreciation is provided as follows:

Office Furniture and Equipment	20% on cost
Computer	25% on cost

Where appropriate, provision is made for any permanent diminution in value where the net book value of the asset is in excess of the realisable value.

(e) The Company's subsidiary company, World-Wide Soccer Limited, ceased to operate during the period ended 30 June 1993. World-Wide Soccer Limited has been excluded from consolidation on the basis that its inclusion is not material for the purpose of giving a true and fair view and therefore group accounts have not been prepared.

(f) The Football League Limited is a membership organisation and its principal activity is the organisation of League Football and the protection and promotion of League Football and Football League Clubs. The Directors do not consider that the Football League's Member Clubs are related parties for the purposes of Financial Reporting Standard No. 8.

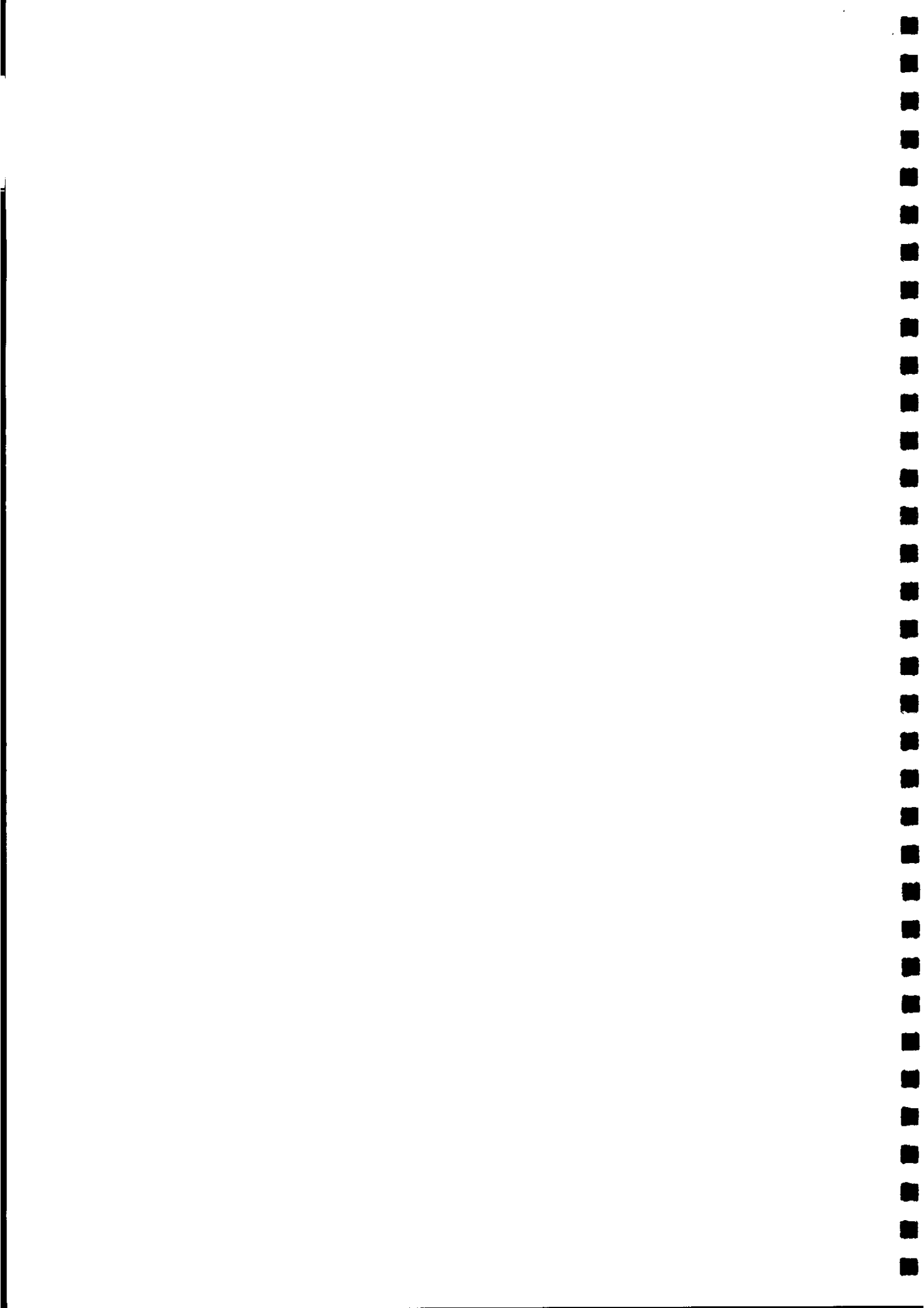


Notes to the Accounts

for the year ended 30 June 2000

1. ACCOUNTING POLICIES (continued)

- (g) Eligible employees of the Company are members of the Football League Retirement Benefits Scheme. The scheme is a defined benefit scheme based upon final pensionable salary. The contributions to the scheme are charged to the profit and loss account as they become payable. The assets of the scheme do not form part of these financial statements. Further details are included at Note 20 to the accounts.
- (h) No provision is made for deferred taxation as the Directors consider that no liability in respect of such taxation is expected to arise in the foreseeable future.
- (i) Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.
- (j) There has been a change of accounting policy in order to comply with Financial Reporting Standard 16 - Current Tax. Foreign Income is stated inclusive of withholding tax and the effect of the withholding tax suffered is shown within the taxation charge. The comparative figures have not been adjusted as the effect is not material.



Notes to the Accounts

for the year ended 30 June 2000

2. TURNOVER	2000	1999
	£	£
Analysis of turnover by class of business:		
Commercial Activities	41,236,324	36,508,417
Receipts from Football Association	2,377,602	2,346,016
	<u>43,613,926</u>	<u>38,854,433</u>
Geographical analysis of turnover:		
United Kingdom	43,343,914	38,538,826
Australasia	270,012	315,607
	<u>43,613,926</u>	<u>38,854,433</u>
3. STAFF COSTS	2000	1999
	£	£
Staff costs including Directors were as follows:		
Salaries	1,229,949	1,219,319
Social Security Costs	126,825	119,224
Other Pension Costs (Note 20)	137,262	103,415
	<u>1,494,036</u>	<u>1,441,958</u>
Average Number of Employees:		
Executive Directors	1	2
Administration and Management	33	30
Commercial and Promotional	7	7
Youth Development	5	5
	<u>46</u>	<u>44</u>

Notes to the Accounts

for the year ended 30 June 2000

4. DIRECTORS EMOLUMENTS	2000	1999
	£	£
Emoluments including benefits in kind	231,715	242,655

The Remuneration of the Highest Paid Director
Included above was:-

Emoluments	118,539	209,322
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The highest paid director had accrued pension benefits during the year under the defined benefit scheme. The highest paid director left the scheme during the year and benefits were forfeited.

During the year one other Director was accruing benefits under defined benefit pension schemes (1999 Nil).

5. OPERATING LOSS	2000	1999
	£	£
Operating losses are stated after charging:		
Auditors Remuneration -		
Audit	27,000	25,000
Other Services	39,750	10,650
Depreciation of Owned Assets	58,190	37,654
Loss on Sale of Fixed Assets	-	7,256
Operating Leases - Equipment	28,407	35,804
- Other Assets	114,734	101,297
And after crediting:		
Profit on Sale of Fixed Assets	120	-

Notes to the Accounts

for the year ended 30 June 2000

6. EXCEPTIONAL ITEMS

	2000	1999
	£	£
Loss on Sale of Fixed Assets	-	139,844

This relates to furniture and equipment which was not transferred to the new leasehold premises.

Profit on sale of Fixed Assets	137,528	-
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This relates to the sale of the Lytham property. The property was included at valuation in the accounts, the revaluation reserve of £166,500 has been transferred to profit and loss account reserve in the year (note 15)

7. INTEREST PAYABLE

	2000	1999
	£	£
Interest payable on Ground Improvement Levies held	46,109	138,645

8. TAXATION

	2000	1999
	£	£
UK Corporation tax @ 17.5%	26	629
Foreign Tax		
Withholding tax on income for the year	26,201	-
	26,227	629

Exceptional items at Note 6 do not have any effect on corporation tax.

Notes to the Accounts

for the year ended 30 June 2000

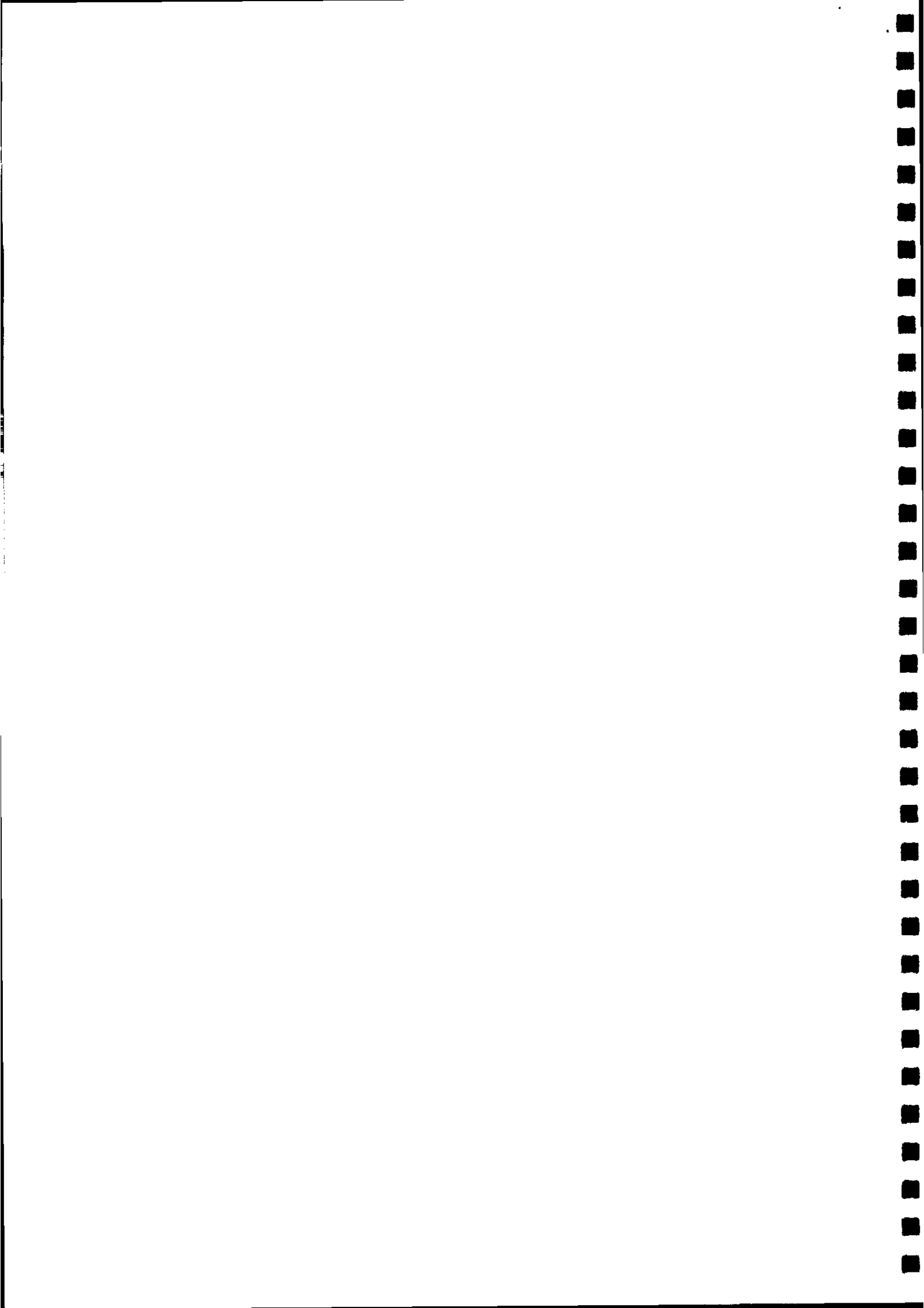
9. TANGIBLE FIXED ASSETS

	<i>Long Leasehold Premises £</i>	<i>Improvements to Short Leasehold Premises £</i>	<i>Equipment £</i>	<i>Total £</i>
At Cost or Valuation:				
At 1 July 1999	247,472	30,795	235,610	513,877
Additions in the year			14,964	14,964
Disposals in the year	(247,472)			(247,472)
At 30 June 2000	-	30,795	250,574	281,369
Depreciation:				
At 1 July 1999	-	1,540	40,959	42,499
Provided in the year	-	3,080	55,110	58,190
On Disposals				
At 30 June 2000	-	4,620	96,069	100,689
Net Book Value at 30 June 2000	-	26,175	154,505	180,680
Net Book Value at 1 July 1999	247,472	29,255	194,651	471,378

10. INTEREST IN GROUP COMPANY

	2000	1999
	£	£
Ordinary Shares in Subsidiary Company at cost	100	100

World-Wide Soccer Limited is a wholly owned subsidiary. Apart from the collection of outstanding debts, the subsidiary company ceased to operate after 20 May 1993. During the year ended 30 June 2000 and 30 June 1999 there were no transactions between World-Wide Soccer Limited and the Company. World-Wide Soccer Limited is registered in England and Wales.



Notes to the Accounts

for the year ended 30 June 2000

11. DEBTORS	2000	1999
	£	£
Trade Debtors	4,182,638	4,482,719
Other Debtors	1,185,465	579,189
Prepayments and Accrued Income	621,345	45,629
Owing by Subsidiary Company	863	863
Youth Development Loans to Football League Clubs	-	4,965,555
	<u>5,990,311</u>	<u>10,073,955</u>
12. CASH AT BANK AND IN HAND	2000	1999
	£	£
Cash at Bank	116,228	2,697,966
Short Term Deposits	18,831,500	6,882,000
	<u>18,947,728</u>	<u>9,579,966</u>

Short Term Deposits are repayable within three months of the date of deposit.

Notes to the Accounts

for the year ended 30 June 2000

13. CREDITORS	2000	1999
	£	£
Amounts falling due within one year:		
Trade Creditors	5,596,816	2,934,765
Receipts in Advance	12,500,000	-
Ground Improvement Levies held	549,898	1,958,718
Other Creditors	3,238,454	6,844,337
Accruals and Deferred Income	2,913,965	3,157,564
Other Taxation and Social Security	34,230	35,199
Youth Development Loan from Football Association Premier League	-	5,016,665
Corporation Tax	26	629
	<hr/>	<hr/>
	24,833,389	19,947,877
	<hr/>	<hr/>

Ground Improvement Levies held are repayable on application in accordance with the Articles of Association and Regulations of The Football League Limited.

14. CALLED UP SHARE CAPITAL

Authorised Share Capital - 100 Ordinary Shares of 5p each £5

Allotted Share Capital at 30 June 2000 and 1999 - 72 Ordinary Shares of 5p each, nil paid.

Notes to the Accounts

for the year ended 30 June 2000

15. RESERVES

	Revaluation Reserve	Profit and Loss Account	Total
At the beginning of the Financial Year	166,500	11,022	177,522
Transfer of realised profits	(166,500)	166,500	-
Transfer from Profit and Loss Account for the year		107,908	107,908
At the end of the Financial Year	-	285,430	285,430

16. GROSS CASH FLOWS

	2000	1999
	£	£
Returns on Investments and Servicing of Finance		
Interest Received	447,159	736,868
Interest Paid	(46,109)	(138,645)
Net Cash Inflow from Returns on Investments and Servicing of Finance	401,050	598,223
Capital Expenditure		
Payments to Acquire Tangible Fixed Assets	(14,964)	(237,279)
Receipts from Sales of Tangible Fixed Assets	385,120	4,520
Net Cash Inflow/(Outflow) from Capital Expenditure	370,156	(232,759)
Management of Liquid Resources		
Increase in Short Term Deposits	(11,949,500)	(882,000)
Net Cash Outflow from Acquisition of Short Term Deposits	(11,949,500)	(882,000)
Financing		
Decrease in Ground Improvement Levies held	(1,408,820)	(345,727)
Net Cash Outflow from Financing	(1,408,820)	(345,727)

Notes to the Accounts

for the year ended 30 June 2000

17. ANALYSIS OF CHANGES IN NET FUNDING

	At 30 June 1999 £	Cash Flows £	At 30 June 2000 £
Cash at Bank and In Hand	2,697,966	(2,581,738)	116,228
Short Term Investments	6,882,000	11,949,500	18,831,500
	<u>9,579,966</u>	<u>9,367,762</u>	<u>18,947,728</u>

18. LEASE COMMITMENTS

At 30 June 2000 the Company had the following annual commitments under non-cancellable operating leases:-

	2000		1999	
	Land & Buildings £	Other £	Land & Buildings £	Other £
Operating Leases which expire:				
Within One Year	-	-	-	-
Within Two to Five Years	116,848	22,963	115,025	54,934
	<u>116,848</u>	<u>22,963</u>	<u>115,025</u>	<u>54,934</u>

19. SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit/(Loss) for the Financial Year	107,908	(130,892)
Net addition to/(subtraction from) Shareholders' Funds	107,908	(130,892)
Shareholders' Funds at the beginning of the Year	177,522	308,414
Shareholders' Funds at the end of the Year	<u>285,430</u>	<u>177,522</u>

Notes to the Accounts

for the year ended 30 June 2000

20. DEFINED BENEFIT PENSION SCHEME

The company operates a pension scheme providing benefits on final pensionable pay. The assets of the scheme are held separately from those of the company, being invested with an insurance company. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the Projected Unit Method. The most recent valuation was at 1 August 1998. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rate of increases in salaries and pensions. It was assumed that the investment return would exceed salary increases by on average 2% per annum and that present and future pensions would increase at the rate of 4% per annum.

The pension charge for the year was £137,262 (1999: £103,415).

The actuarial valuation showed that the market value of the scheme's assets at 1 August 1998 was £1,303,700 and that the actuarial value of those assets represented 112% of the benefits that had accrued to members after allowing for expected future increases in earnings. The contribution rate recommended by the actuary in order to eliminate this surplus over the average future working lifetime of members was 16.3% (11.3% for employers and 5% for employees). However, the company prudently maintained the contribution rate from 1 April 2000 at 13.5% and 5% respectively.

Auditors' Report

To the Members of The Football League Limited

We have audited the financial statements on pages 4 to 17 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

Respective Responsibilities of Directors and Auditors

As described on pages 2 and 3 the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

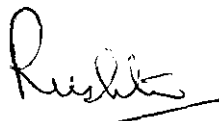
Basis of Opinion

We have conducted our audit in accordance with 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 mis-statement, 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 affairs of the Company as at 30 June 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Rushtons
Chartered Accountants
Registered Auditors
PRESTON

Date: 7 December 2000