Company Registration No. 80612

THE FOOTBALL LEAGUE LIMITED

Directors' Report and Consolidated Financial Statements

30 June 2010

REPORT AND FINANCIAL STATEMENTS 2010

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REPORT AND FINANCIAL STATEMENTS 2010

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G A Clarke
T A Glick
A Kleanthous
K Lamb
P D Powell
L Rogers
I R Ritchie
D R Sheepshanks

SECRETARY

T S Detko

REGISTERED OFFICE

Edward VII Quay
Navigation Way
Preston
PR2 2YF

BANKER

Barclays Bank PLC
PO Box 230
15-33 Moorfields
Liverpool L69 2RU

AUDITORS

KPMG LLP
Chartered Accountants and Registered Auditor
Edward VII Quay
Navigation Way
Preston
PR2 2YF

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2010

PRINCIPAL ACTIVITIES

The principal activities of the company are to be a governing body for Member Clubs, organise League football competitions and to represent and promote League Football and its Clubs

BUSINESS REVIEW

Attendances for League matches broke the seventeen million barrier at nearly 17 1 million in season 2009/10, 4% up on the previous season's total The League's two showpiece cup competitions also prospered with a 5% increase taking Carling Cup attendances to 1 38 million with Johnstone's Paint Trophy attendances rising by 46% to more than 305,000

During the year the League concluded a 3 year title sponsorship agreement with npower commencing in August 2010 Coca-Cola, who have been the title sponsors for the last 6 years will continue to remain an official partner of the League for the next 3 seasons

2009/10 was the first season of the League's new £264m three-year deal with broadcasting partners Sky Sports and BBC Sport representing the first time since 1986 that live League games have been broadcast on terrestrial television The season also saw the League deal directly with individual broadcasters for the rights to show Football League matches in overseas territories

FINANCIAL REVIEW

Profit and Loss Account

Group turnover for the year at £135 6m was £54 7m higher than in 2009 representing a 67% year on year increase Of this increase, over £50m has been generated from the League'slatest broadcast deals

Overall the group's total costs including payments made to member clubs increased by £54 2m to £136 0m in 2010 Distributions by The Football League and The Football League Trust to its member clubs have increased from £67 5m in 2009 to £113 2m in 2010, whilst cost associated with the delivery of the League's broadcast arrangements increased from £4 6m in 2009 to £12 3m in 2010

Balance Sheet

Net liabilities at 30 June 2010 amounted to £331k compared to £70k at 30 June 2009 The reduction is due to the retained profit of £72k offset by an actuarial loss of £333k arising on the company's defined benefit pension scheme This actuarial loss has arisen as a result of changes in the actuarial assumptions and actual experience differing from the previously made actuarial assumptions Further information in relation to the company's defined benefit pension scheme can be found in note 16 of these financial statements

Cash Flow

The group generated a cash inflow in the year of £4 9m (*2009 outflow of £21 3m*) After net interest earnings of £0 2m and capital expenditure of £0 1m the group's cash balances increased by £5 0m to £24 1m at 30 June 2010

Financial Risk

The Group manages its financial risk through the use of financial instruments The principle risk managed is foreign exchange risk on the overseas television broadcasting rights See note 24 to the financial statements for detail on the management of these risks

DIVIDENDS

The directors do not recommend the payment of a dividend

DIRECTORS' REPORT

DIRECTORS AND THEIR INTERESTS

The current directors of the company are listed on page 1 The directors who served during the year are listed below The directors held no beneficial or family interests in the shares of the company in either the current or prior financial year

G A Clarke (appointed 8 April 2010)
T A Glick (appointed 25 June 2010)
A Kleanthous
K Lamb (appointed 11 December 2009)
Lord Mawhinney (resigned 7 April 2010)
K Oyston (appointed 25 January 2010, resigned 25 May 2010)
A F Pearson (resigned 3 November 2009)
P D Powell
I R Ritchie
T J Robinson (resigned 11 December 2009)
L Rogers
D R Sheepshanks

CHARITABLE DONATIONS

During the year the company made charitable donations amounting to £63,500 (*2009 £60,000*), of which £60,000 (*2009 £60,000*) was generated from the proceeds of the Carling Cup Final and would ordinarily have been distributed in accordance with the rules of that competition. There were no political contributions

DISCLOSURE OF INFORMATION TO AUDITORS

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 of which the Company's auditors are 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 auditors are aware of that information

AUDITORS

In accordance with Section 485 of the Companies Act 2006 a resolution to reappoint KPMG LLP as the Company's auditors will be proposed at the forthcoming Extraordinary General Meeting

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

T.S Detko

T S Detko

Secretary

14 October 2010

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The dırectors are responsıble for preparıng the Dırectors' Report and the financıal statements ın accordance wıth applıcable law and regulatıons

Company law requıres the dırectors to prepare financıal statements for each financıal year Under that law they have elected to prepare the financıal statements ın accordance wıth UK Accountıng Standards and applıcable law (UK Generally Accepted Accountıng Practıce)

Under company law the dırectors must not approve the financıal statements unless they are satısfied that they gıve a true and faır vıew of the state of affaırs of the group and company and of the profit or loss of the group and company for that perıod In preparıng these financıal statements, the dırectors are requıred to

- select suıtable accountıng polıcıes and then apply them consıstently,
- make judgments and estımates that are reasonable and prudent,
- state whether applıcable UK Accountıng Standards have been followed, subject to any materıal departures dısclosed and explaıned ın the financıal statements, and
- prepare the financıal statements on the goıng concern basıs unless ıt ıs ınapproprıate to presume that the company wıll contınue ın busıness

The dırectors are responsıble for keepıng adequate accountıng records that are sufficıent to show and explaın the group's and company's transactıons and dısclose wıth reasonable accuracy at any tıme the financıal posıtıon of the group and company and enable them to ensure that the financıal statements comply wıth the Companıes Act 2006 They have general responsıbılıty for takıng such steps as are reasonably open to them to safeguard the assets of the group and company and to prevent and detect fraud and other ırregularıtıes

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FOOTBALL LEAGUE LIMITED

We have audited the financial statements of the Football League Limited for the year ended 30 June 2010 set out on pages 6 to 25 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www frc org uk/apb/scope/UKNP

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 30 June 2010 and of the group's profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

M Newsholme

M Newsholme (Senior Statutory Auditor), for and on behalf of KPMG LLP, Statutory Auditors
Chartered Accountants
Edward VII Quay, Navigation Way, Preston, PR2 2YF
14 October 2010

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 30 June 2010

	Note	2010 £	2009 £
Group and joint venture's turnover		138,740,191	84,013,161
Less share of joint venture's turnover		(3,162,395)	(3,078,484)
Group turnover	3	135,577,796	80,934,677
Other operating income		278,165	142,248
External charges		(116,100,872)	(63,873,975)
Staff costs	4	(3,316,443)	(3,003,915)
Other operating charges		(16,541,925)	(14,929,452)
Group operating loss	6	(103,279)	(730,417)
Share of net operating loss in joint venture and associate		(7,972)	(42,836)
Total operating loss		(111,251)	(773,253)
Net interest receivable and similar income			
- Group	7	230,041	886,951
- Joint venture and associate		4,790	31,518
Other finance expenses	8	(46,000)	(47,000)
Profit on ordinary activities before taxation		77,580	98,216
Tax on profit on ordinary activities	9	(5,643)	73,768
Profit for the financial year	18	71,937	171,984

All the above results derive from continuing operations

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Year ended 30 June 2010

	2010 £	2009 £
Profit for the financial year	71,937	171,984
Actuarial loss relating to the company pension scheme	(422,000)	(249,000)
Deferred tax thereon	88,620	52,290
Total recognised gains and losses relating to the year	(261,443)	(24,726)

CONSOLIDATED BALANCE SHEET
30 June 2010

	Note	2010 £	2010 £	2009 £	2009 £
FIXED ASSETS					
Intangible assets	10		(245,989)		(281,131)
Tangible assets	11		157,800		107,618
Joint venture undertaking					
Share of gross assets	12	3,578,370		1,549,494	
Share of gross liabilities	12	(3,570,710)		(1,542,491)	
			7,660		7,003
Investments in associated undertaking	12		49,257		53,341
			(31,272)		(113,169)
CURRENT ASSETS					
Debtors	13	16,253,654		21,214,381	
Cash at bank and in hand		24,110,696		19,107,426	
		40,364,350		40,321,807	
CREDITORS: amounts falling due within one year	14	(33,706,550)		(27,085,368)	
NET CURRENT ASSETS			6,657,800		13,236,439
TOTAL ASSETS LESS CURRENT LIABILITIES			6,626,528		13,123,270
CREDITORS: amounts falling due after more than one year	15		(5,391,762)		(11,954,121)
NET ASSETS excluding pension liability			1,234,766		1,169,149
Pension liability	16		(1,565,780)		(1,238,720)
Net liabilities			(331,014)		(69,571)
CAPITAL AND RESERVES					
Called up share capital	17		-		-
Profit and loss account	18		(331,014)		(69,571)
EQUITY SHAREHOLDERS' DEFICIT	19		(331,014)		(69,571)

These financial statements were approved by the Board of Directors on 14 October 2010

Signed on behalf of the Board of Directors

I R Ritchie

Director

Company Number 80612

COMPANY BALANCE SHEET
30 June 2010

	Note	2010 £	2010 £	2009 £	2009 £
Fixed assets					
Tangible assets	11		154,623		107,618
Investments	12		650		650
			155,273		108,268
Current assets					
Debtors	13	14,250,702		19,558,678	
Cash at bank and in hand		19,556,836		16,625,086	
		33,807,538		36,183,764	
Creditors: amounts falling due within one year	14	(28,187,787)		(23,954,029)	
Net current assets			5,619,751		12,229,735
Total assets less current liabilities			5,775,024		12,338,003
Creditors. amounts falling due after more than one year	15		(5,391,762)		(11,954,121)
Net assets excluding pension liability			383,262		383,882
Pension liability	16		(1,565,780)		(1,238,720)
Net liabilities			(1,182,518)		(854,838)
Capital and reserves					
Called up share capital	17		-		-
Profit and loss account	18		(1,182,518)		(854,838)
Equity shareholders' deficit			(1,182,518)		(854,838)

These financial statements were approved by the Board of Directors on 14 October 2010

Signed on behalf of the Board of Directors

I R Ritchie

Director

Company Number 80612

CONSOLIDATED CASH FLOW STATEMENT
Year ended 30 June 2010

	Note	2010 £	2009 £
Net cash inflow / (outflow) from operating activities	20	4,882,489	(21,304,699)
Returns on investments and servicing of finance	21	222,336	804,282
Taxation		(11,296)	(11,209)
Capital expenditure and financial investment	21	(90,259)	(37,384)
Cash inflow / (outflow) before use of liquid resources and financing		5,003,270	(20,549,010)
Financing		-	-
Increase / (decrease) in cash in the year		5,003,270	(20,549,010)

Reconciliation of net cash flow to movement in net funds	2010 £	2009 £
Increase / (decrease) in cash in the year	5,003,270	(20,549,010)
Cash at bank and in hand:		
At 1 July 2009	19,107,426	39,656,436
At 30 June 2010	24,110,696	19,107,426

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2010

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

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

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 30 June each year The results of subsidiaries acquired or disposed of are consolidated for the periods from or to the date on which control passed Acquisitions are accounted for under the acquisition method

The group has net liabilities of £331,014 as at 30 June 2010 The financial statements have been prepared on a going concern basis which the directors believe to be appropriate given the group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 2

As a consequence, the directors believe that the group is well placed to manage its business risks successfully despite the current economic climate The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Where audited financial statements are not coterminous with those of the group, the financial information of subsidiary and joint venture undertakings has been derived from unaudited management accounts for the period up to the company's balance sheet date

Intangible assets – goodwill

Negative goodwill arising on the acquisition in 2004 of FL Interactive Limited, a 100% subsidiary undertaking, representing the excess of the fair value of the identifiable assets and liabilities acquired over the fair value of the consideration given is capitalised and then credited to the profit and loss account on a straight line basis in the periods expected to benefit, assessed by the directors as 13 years

Depreciation and tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment Depreciation on tangible fixed assets is calculated on a straight line basis and aims to write down their cost to their estimated residual value over their expected useful lives as follows

Improvements to short leasehold premises	10 years
Equipment	4 to 5 years
Motor vehicles	4 years

Associated and joint venture undertakings

Undertakings, other than subsidiary undertakings, in which the group has a long term participating interest and over which it exerts significant influence, are associated undertakings

Those undertakings in which the group has a long term interest and which the group jointly controls with one or more other party are defined as joint venture undertakings

The group's share of the profits less losses of the associated company and joint venture undertaking is included in the consolidated profit and loss account and consolidated statement of total recognised gains and losses

Joint venture undertakings in the group balance sheet are accounted for using the gross equity method of consolidation Associated undertakings are included at the group's share of net assets, after adjustment for goodwill

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2010

1. ACCOUNTING POLICIES (CONTINUED)

Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market Liquid resources comprise term deposits of less than one year (other than cash), government securities and investments in money market managed funds

Deferred taxation

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

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 and includes sponsorship revenues and revenues received from television broadcasting contracts but excludes gate levy income received from clubs which is offset against external charges

Barter transactions

Turnover and costs in respect of barter transactions for goods and services are recognised only where there is persuasive evidence of the value at which, if it had not been exchanged, the goods and services would have been sold for cash in a similar transaction

Pension obligation

The group operates both a defined contribution scheme and a defined benefit scheme The defined benefit scheme was closed to new members from 1 March 2010

Retirement benefits to eligible employees of the defined benefit scheme are funded by contributions from the company and its employees The amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments They are included as part of staff costs Past service costs are recognised immediately in the profit and loss account if the benefits have vested If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses

The assets of the defined benefit scheme are held separately from those of the group, in separate trustee administered funds Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities The actuarial valuations are obtained at least triennially and are updated at each balance sheet date The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet

The defined contribution scheme is a group personal pension plan under which the group pays fixed contributions The group has no further payment obligations once the contributions have been paid The contributions are included as part of salary costs

Leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2010

2. CONSOLIDATED FINANCIAL STATEMENTS

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements The parent company's profit (see note 18) for the financial year amounted to £5,700 (*2009 £1,353*)

3. TURNOVER

Turnover arises from the activities of organising and promoting annual League Football competitions All turnover arises in the United Kingdom

The amount of barter transactions for goods and other services recognised in turnover is £696,157 (*2009 £752,791*)

4. STAFF COSTS

	2010 £	2009 £
Staff costs during the year (including directors):		
Wages and salaries	2,719,532	2,390,609
Social security costs	298,598	269,976
Other pension costs (note 16)	298,313	343,330
	3,316,443	3,003,915

The average monthly number of employees was 62 (*2009 59*)

5. DIRECTOR'S REMUNERATION

	2010 £	2009 £
The total amounts for directors' remuneration and other benefits were as follows		
Salaries and fees	173,074	155,638

The number of directors for whom retirement benefits are accruing is nil (*2009 nil*)

6. OPERATING LOSS

	2010 £	2009 £
Operating loss is stated after charging/(crediting)		
Auditors' remuneration		
Audit fees - Group	35,349	33,305
Audit fees - Company	26,748	26,000
Corporation tax compliance	5,000	13,000
Other tax advice	5,536	3,789
Depreciation of tangible fixed assets	40,077	80,319
Operating leases		
Equipment	38,381	37,613
Other assets	184,782	172,965
Amortisation of goodwill	(35,142)	(35,142)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2010

7. NET INTEREST RECEIVABLE AND SIMILAR INCOME

	2010	2009
	£	£
Interest receivable	229,773	908,858
Interest receivable / (payable) on ground improvement levies held	268	(21,907)
	230,041	886,951

8. OTHER FINANCE EXPENSES

	2010	2009
	£	£
Expected return on pension scheme assets	264,000	275,000
Interest on pension scheme liabilities	(310,000)	(322,000)
	(46,000)	(47,000)

9 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2010	2009
	£	£
Current tax		
UK corporation tax	5,643	14,658
Adjustments in respect of prior year	-	(77,836)
Total current tax	5,643	(63,178)
Deferred tax		
Current year	-	2,730
Due to change in tax rate	-	(13,320)
	5,643	(73,768)

The corporation tax charge for the current period is different than that resulting from applying the small companies' rate of corporation tax in the UK The differences are explained below

	2010	2009
	£	£
Profit on ordinary activities before tax	77,580	98,216
Tax on profit on ordinary activities at small companies' rate of 21% (*2009 21%*)	16,292	20,625
Effects of		
Expenses not deductible for tax purposes	5,109	4,669
Difference between depreciation and capital allowances	(13,338)	2,494
Adjustment in respect of pension contributions	(1,680)	(2,730)
Utilisation of tax losses	-	(8,580)
Other	(740)	(1,820)
	5,643	14,658

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2010

10. INTANGIBLE FIXED ASSETS

The Group	Internet and media rights £	Goodwill £	Total £
Cost			
At 1 July 2009 and 30 June 2010	1	(456,842)	(456,841)
Amortisation			
At 1 July 2009	-	175,710	175,710
Negative goodwill written back	-	35,142	35,142
At 30 June 2010	-	210,852	210,852
Net book value			
At 30 June 2010	1	(245,990)	(245,989)
At 30 June 2009	1	(281,132)	(281,131)

Negative goodwill arising on the acquisition of FL Interactive Limited in 2004 was in excess of the fair value of the monetary assets acquired An amount equal to the fair value of the non-monetary assets acquired is being released to the profit and loss account commensurately with the recovery of the non-monetary assets acquired, whether through depreciation or sale

11. TANGIBLE FIXED ASSETS

The Group	Improvements to short leasehold premises £	Equipment £	Total £
Cost			
At 1 July 2009	115,276	688,518	803,794
Additions	-	90,259	90,259
At 30 June 2010	115,276	778,777	894,053
Depreciation			
At 1 July 2009	92,585	603,591	696,176
Charge for the year	11,527	28,550	40,077
At 30 June 2010	104,112	632,141	736,253
Net book value			
At 30 June 2010	11,164	146,636	157,800
At 30 June 2009	22,691	84,927	107,618

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2010

11. TANGIBLE FIXED ASSETS (continued)

The Company	Improvements to short leasehold premises £	Equipment £	Total £
Cost			
At 1 July 2009	115,276	688,518	803,794
Additions	-	86,380	86,380
At 30 June 2010	115,276	774,898	890,174
Depreciation			
At 1 July 2009	92,585	603,591	696,176
Charge for the year	11,527	27,848	39,375
At 30 June 2010	104,112	631,439	735,551
Net book value			
At 30 June 2010	11,164	143,459	154,623
At 30 June 2009	22,691	84,927	107,618

12. FIXED ASSET INVESTMENTS

The Group	Joint venture undertaking £	Associate undertaking £	Total £
Cost and net book value			
At 1 July 2009	7,003	53,341	60,344
Share of profit / (loss)	657	(4,084)	(3,427)
At 30 June 2010	7,660	49,257	56,917

The Company	Shares in subsidiaries £
Cost and net book value	
At 1 July 2009 and 30 June 2010	650

The company wholly owns the following subsidiary undertakings, each of which is registered in England and Wales and incorporated in Great Britain These companies are included within the consolidated figures presented as part of these financial statements

Subsidiary undertakings	Activity	Proportion of ordinary shares
FL Interactive Limited	Provision of internet websites	100%
The Football League Trust Limited	Funding body	100%
World-Wide Soccer Limited	Dormant	100%

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2010

12. FIXED ASSET INVESTMENTS (continued)

The Football League (Community) Limited is a wholly owned charitable subsidiary of The Football League Trust Limited and is registered in England and Wales and incorporated in Great Britain Its main activities are to promote the participation of the general public in football by supporting community based facilities and activities hosted by football clubs It has been excluded from consolidation on the grounds that The Football League (Community) Limited and The Football League Limited do not meet the criteria for a parent and subsidiary undertaking relationship to exist, in accordance with FRS 2 Accounting for Subsidiary Undertakings

The total income of Football League (Community) Limited for the year ended 30 June 2010 was £7,408,836 with distributions and expenditure totalling £9,637,931 Unrestricted funds as at 30 June 2010 amounted to £106,779

£55,505 was payable by The Football League (Community) Limited to The Football League Limited at the year end

Joint venture undertaking

The investment in joint venture represents a 50% holding in Football DataCo Limited, a joint venture undertaking between The Football League Limited and The Football Association Premier League Limited The company has a year end 31 July The company was formed on 3 May 2001 and established to develop and maximise profits from the two League's data, archive and licensable material rights whilst becoming the source of official data

The Football Association Premier League Limited owns 100% of the "A" shares of Football DataCo Limited and The Football League Limited owns 100% of the "B" shares of Football DataCo Limited The "A" and "B" shares have equal rights Football DataCo Limited is registered at, and trades from, 30 Gloucester Place, London W1U 8PL

£2,315,197 was payable by Football DataCo Limited to the company in the year At the year end £315,197 was outstanding

Associate undertaking

The investment in associate undertaking represents a one third holding in Professional Game Match Officials Limited, a venture between The Football League Limited, The Football Association Limited and The Football Association Premier League Limited The company has a year end 31 July The venture was formed for the provision of referees and refereeing services to The Football League, The Football Association and The Football Association Premier League

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

£2,230,727 was payable by the company to Professional Game Match Officials Limited At the year end £17,057 was outstanding

Football DataCo Limited and Professional Game Match Officials Limited both have a 31 July year-end and the following financial information, which is in respect of the company's share of their results and incorporated within these financial statements, is derived from unaudited management accounts for the year to 30 June 2010

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2010

12. FIXED ASSET INVESTMENTS (continued)

	Football DataCo Limited		Professional Game Match Officials Limited	
	2010	2009	2010	2009
	£	£	£	£
Company share of results				
Turnover	3,162,395	3,078,484	2,240,111	2,211,638
Operating loss	(3,013)	(23,495)	(4,959)	(19,341)
Interest receivable and similar income	3,915	24,438	875	7,080
Profit / (loss) before taxation	902	943	(4,084)	(12,261)
Taxation	(245)	-	-	-
Profit / (loss) after taxation	657	943	(4,084)	(12,261)

	Football DataCo Limited		Professional Game Match Officials Limited	
	2010	2009	2010	2009
	£	£	£	£
Company share of:				
Fixed assets	-	-	58,726	16,588
Current assets	3,578,370	1,549,494	789,855	1,065,546
Current liabilities – due within one year	(3,570,710)	(1,542,491)	(799,324)	(1,028,793)
Share of net assets	7,660	7,003	49,257	53,341

13. DEBTORS

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Amounts falling due within one year				
Trade debtors	4,187,955	2,466,684	3,320,095	1,970,462
Club loans	4,208,484	5,662,500	4,208,484	5,662,500
Other debtors	136,746	54,341	109,746	49,894
Prepayments and accrued income	3,467,976	4,380,477	1,966,723	2,989,501
VAT receivable	29,266	225,475	-	-
Amounts owed by subsidiary undertakings	-	-	422,427	461,417
Amounts owed by joint venture undertaking	315,197	477,911	315,197	477,911
	12,345,624	13,267,388	10,342,672	11,611,685
Amounts falling due after more than one year				
Club loans	3,546,418	7,319,300	3,546,418	7,319,300
Prepayments and accrued income	361,612	627,693	361,612	627,693
	16,253,654	21,214,381	14,250,702	19,558,678

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2010

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Trade creditors	9,834,708	5,451,117	7,702,112	4,359,401
Ground improvement levies held	261,026	308,509	261,026	308,509
Other creditors	7,351,207	5,102,638	7,076,878	4,809,095
Accruals and deferred income	15,938,359	15,701,892	12,681,846	12,576,378
Other taxation and social security	87,035	88,161	63,407	60,301
VAT payable	226,186	417,444	226,186	417,444
Corporation tax	8,029	15,607	-	949
Amounts due to subsidiary undertaking	-	-	176,332	1,421,952
	33,706,550	27,085,368	28,187,787	23,954,029

Ground improvement levies held are repayable on application in accordance with the Articles of Association and Regulations of The Football League Limited

15. CREDITORS· AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Accruals and deferred income	5,391,762	11,954,121	5,391,762	11,954,121

16. PENSION COMMITMENTS

The company operates a defined benefit scheme in the UK, which was closed to new entrants from 1 March 2010

Defined benefit scheme

A full actuarial valuation was carried out at 1 August 2007 and updated to 30 June 2010 by a qualified actuary, independent of the scheme's sponsoring employer

The company pays contributions at the rate of 17 9% of pensionable pay Member contributions are payable in addition at the rate of 6 5% of pensionable pay Prior to 1 March 2010 the member contribution rate was 5 5% of pensionable pay

The best estimate of contributions to be paid by the company to the scheme for the period beginning after 30 June 2010 is £240,000

The major assumptions used in the 2010 valuation were

	At 30 June 2010	At 30 June 2009	At 30June 2008
Inflation assumption	**3.30%**	3 50%	3 75%
Salary escalation rate	**4.30%**	4 50%	4 75%
Rate used to discount scheme liabilities	**5.40%**	6 40%	6 25%
Allowance for pension in payment increases of RPI or 2 5% p a if less	**2.40%**	2 40%	N/A
Allowance for revaluation of deferred pensions of RPI or 5% p a if less	**3.30%**	3 50%	3 75%
Allowance for commutation of pension for cash at retirement	**Yes**	Yes	N/A

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2010

16. PENSION COMMITMENTS (contınued)

The mortalıty assumptıons adopted ımply the followıng lıfe expectancıes

Average lıfe expectancy (at 30 June)	**2010**		2009		2008	
	Male (years)	**Female (years)**	Male (years)	Female (years)	Male (years)	Female (years)
Member currently aged 60	**87.0**	**89.7**	86 9	89 6	86 8	89 7
Member currently aged 45	**88 7**	**91.2**	88 6	91 1	87 2	90 1

The assets of the scheme and the present value of the scheme's lıabılıtıes were

	2010 £	**2009 £**	**2008 £**
Equıtıes	**1,880,000**	1,950,000	2,319,000
Bonds	**1,587,000**	815,000	919,000
Property	**527,000**	426,000	521,000
Cash	**29,000**	30,000	42,000
	4,023,000	3,221,000	3,801,000
Present value of scheme lıabılıtıes	**(6,005,000)**	(4,789,000)	(5,133,000)
Net pensıon lıabılıty before deferred tax	**(1,982,000)**	(1,568,000)	(1,332,000)
Deferred tax at 21% (*2009 21%, 2008 20%*)	**416,220**	329,280	266,400
Net pensıon lıabılıty	**(1,565,780)**	(1,238,720)	(1,065,600)

The long term expected rate of return on cash ıs determıned by reference to bank base rates at the balance sheet dates The long term expected return on bonds ıs determıned by reference to UK long dated government and corporate bond yıelds at the balance sheet date The long term expected rate of return on equıtıes ıs based on the rate of return on bonds wıth an allowance for outperformance

The expected long term rates of return applıcable for each perıod are as follows

	2010	**2009**
Equıty	**8.75%**	7 50%
Bonds	**6 40%**	7 00%
Property	**8 00%**	6 00%
Cash	**2.00%**	0 50%
Overall for scheme	**8.00%**	7 17%

	2010 £	**2009 £**	**2008 £**
Movement in defıcıt durıng the year:			
Defıcıt ın the scheme at start of year	**(1,568,000)**	(1,332,000)	(425,000)
Current servıce costs	**(168,000)**	(220,000)	(230,000)
Contrıbutıons	**222,000**	280,000	293,000
Other finance ıncome	**(46,000)**	(47,000)	(15,000)
Actuarıal loss	**(422,000)**	(249,000)	(955,000)
Defıcıt ın scheme at end of year	**(1,982,000)**	(1,568,000)	(1,332,000)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2010

16. PENSION COMMITMENTS (continued)

Reconciliation of opening and closing balances of the fair value of scheme assets.	**2010**	**2009**
	£	**£**
Fair value of scheme assets at start of year	**3,221,000**	3,801,000
Expected return on scheme assets	**264,000**	275,000
Actuarial gains / (losses)	**388,000**	(943,000)
Contributions by the company	**222,000**	280,000
Contributions by scheme participants	**70,000**	86,000
Benefits paid and death in service insurance premiums	**(142,000)**	(278,000)
Fair value of scheme assets at end of year	**4,023,000**	3,221,000

The actual return on the scheme assets over the year ended 30 June 2010 was £652,000

Reconciliation of opening and closing balances of the present value of scheme liabilities:	**2010**	**2009**
	£	**£**
Scheme liabilities at start of year	**4,789,000**	5,133,000
Current service cost	**168,000**	220,000
Interest cost	**310,000**	322,000
Contributions by scheme participants	**70,000**	86,000
Actuarial losses / (gains)	**810,000**	(694,000)
Benefits paid and death in service insurance premiums	**(142,000)**	(278,000)
Scheme liabilities at the end of year	**6,005,000**	4,789,000

Analysis of other pension costs charged to operating profit:

	2010	**2009**
	£	**£**
Current service cost	**168,000**	220,000
Interest cost	**310,000**	322,000
Expected return on scheme assets	**(264,000)**	(275,000)
Total expense recognised in profit and loss	**214,000**	267,000

Analysis of the amount recognised in statement of total recognised gains and losses (STRGL)

	2010	**2009**
	£	**£**
Actual return less expected return on pension scheme assets	**388,000**	(943,000)
Experience gains and losses arising on the scheme liabilities	**133,000**	(10,000)
Changes in assumptions underlying the present value of the scheme liabilities	**(943,000)**	704,000
Actuarial loss recognised in STRGL	**(422,000)**	(249,000)

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses since adoption of FRS17 is a loss of £2,017,000

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2010

16 PENSION COMMITMENTS (continued)

Amounts for previous years

	2010 £	2009 £	2008 £	2007 £	2006 £
Fair value of scheme assets	**4,023,000**	3,221,000	3,801,000	3,853,000	3,226,000
Present value of scheme liabilities	**6,005,000**	4,789,000	5,133,000	4,278,000	3,316,000
Deficit in scheme	**(1,982,000)**	(1,568,000)	(1,332,000)	(425,000)	(90,000)
Experience adjustment on scheme assets	**388,000**	(943,000)	(626,000)	61,000	(8,000)
Experience adjustment on scheme liabilities	**133,000**	(10,000)	53,000	(155,000)	-

Defined contribution scheme

Total contributions to the defined contribution scheme amounted to £72,920 (*2009 £41,068*) Payments of £6,168 were outstanding at 30 June 2010 (*2009 £5,452*)

17. CALLED UP SHARE CAPITAL

	2010 £	2009 £
Called up, allotted and nil paid 72 ordinary shares of 5 pence each	-	-
Authorised 100 ordinary shares of 5 pence each	5	5

18. PROFIT AND LOSS ACCOUNT

	Group £	Company £
At 1 July 2009	(69,571)	(854,838)
Profit for the financial year	71,937	5,700
	2,366	(849,138)
Actuarial loss recognised	(422,000)	(422,000)
Deferred tax arising on actuarial loss	88,620	88,620
At 30 June 2010	(331,014)	(1,182,518)

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

The Group	2010 £	2009 £
Opening shareholders' deficit	(69,571)	(44,845)
Profit for the financial year	71,937	171,984
Actuarial loss on company pension scheme	(333,380)	(196,710)
Closing shareholders' deficit	(331,014)	(69,571)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2010

20 RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES

	2010 £	2009 £
Group operating loss	(103,279)	(730,417)
Depreciation	40,077	80,319
Goodwill amortisation	(35,142)	(35,142)
Decrease/(increase) in debtors	4,909,750	(7,943,181)
Increase/(decrease) in creditors and deferred income	71,083	(12,676,278)
Net cash inflow / (outflow) from operating activities	4,882,489	(21,304,699)

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2010 £	2009 £
Returns on investments and servicing of finance		
Interest receivable and other similar income	224,917	825,689
Interest paid	(2,581)	(21,407)
Net cash inflow from returns on investments and servicing of finance	222,336	804,282
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(90,259)	(40,528)
Receipts from sale of tangible fixed assets	-	3,144
Net cash outflow from capital expenditure and financial investment	(90,259)	(37,384)

22. FINANCIAL COMMITMENTS

Capital commitments
There were no capital commitments contracted for but not provided for at 30 June 2010 (*2009 £nil*)

Operating lease commitments
At 30 June 2010, the Group was committed to making the following payments during the next year in respect of operating leases

The Group and Company	2010 Land and buildings £	2010 Other £	2009 Land and buildings £	2009 Other £
Leases which expire				
Within one year	73,000	-	68,000	2,852
In between two and five years	-	33,926	-	30,767
In more than five years	114,282	-	114,282	-
	187,282	33,926	182,282	33,619

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2010

23 RELATED PARTY TRANSACTIONS

By the company's nature and in accordance with its rules, The Football League enters into transactions in the normal course of business with its Member Clubs Payments made to the Football League Member Clubs are included in external charges

Where contracts are entered into by The Football League that relate to both on line and off line inventory the income relating to the on line rights is paid to FL Interactive That amounted to £3,998,633 for the year ended 30 June 2010 (*2009 £933,500*) The company also receives monies from FL Interactive in accordance with the terms of the rights agreement of December 2000 amounting to £997 071 (*2009 £642,969*) At the year end an amount of £310,614 was payable to the company by FL Interactive (*2009 £303,905 payable to FL Interactive*)

The company made a contribution to The Football League Trust Limited's overhead costs amounting to £569,997 *(2009 £564,227)* £65,382 was payable to The Football League Trust Limited as at the year end *(2009 £657,493)*

All other transactions requiring disclosure under the requirements of Financial Reporting Standard 8 'Related party disclosures' are shown in note 12

24. FINANCIAL INSTRUMENTS

The company's financial instruments comprise cash and liquid resources, balances with group undertakings, and various items such as trade debtors, trade creditors etc, that arise directly from its operations

It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken

The main risks arising from the Company's financial instruments are foreign currency risk The Board reviews and agrees policies for managing each of these risks and they are summarised below

The company's transactions are sterling denominated other than those relating to the sale of overseas broadcast rights Those transactions are a mixture of sterling and US dollars The company has entered into forward hedging agreements totalling US$43 4 million in respect of its contracts that are expressed in US dollars Those transactions are traded at pre-determined rates between August 2009 and January 2012

FIVE YEAR REVIEW
Year ended 30 June 2010

	2010 £	2009 £	2008 £	2007 £	2006 £
Profit and loss account					
Group turnover	135,577,796	80,934,677	71,981,230	63,041,795	53,228,068
Group operating loss	(103,279)	(730,417)	(1,162,550)	(120,564)	(461,623)
Net interest receivable	230,041	886,951	1,530,738	539,961	442,827
Profit before tax	77,580	98,216	383,122	469,065	25,251
Profit for the financial year	71,937	171,984	309,984	380,851	1,121
Balance sheet					
Intangible assets	(245,989)	(281,131)	(316,273)	(351,415)	(386,557)
Tangible fixed assets	157,800	107,618	150,553	163,593	154,323
Fixed asset investments	56,917	60,344	71,662	41,728	39,060
Debtors	16,253,654	21,214,381	13,220,223	9,475,542	16,031,513
Cash at bank and in hand	24,110,696	19,107,426	39,656,436	15,605,370	7,383,754
Creditors amounts falling due within one year	(33,706,550)	(27,085,368)	(33,605,451)	(21,385,647)	(17,180,108)
Creditors amounts falling due after more than one year	(5,391,762)	(11,954,121)	(18,156,395)	(2,800,000)	(5,600,000)
Net assets excluding pension liability	1,234,766	1,169,149	1,020,755	749,171	441,985
Pension liability	(1,565,780)	(1,238,720)	(1,065,600)	(340,000)	(72,900)
Net (liabilities) / assets	(331,014)	(69,571)	(44,845)	409,171	369,085