The Football League Limited

Annual report and consolidated financial statements

Registered number 80612

For the period ended 4 August 2020

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Officers and professional advisors

DIRECTORS

M Ashton
S Bazalgette
T N Birch
S Curwood
N Howe
D A Jevans CBE
J D Moxey
J L Nixon
R N Parry
S A Pearce

SECRETARY

N Craig

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BANKER

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AUDITOR

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Strategic Report

The directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006.

REVIEW OF THE BUSINESS

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.

Other activities performed within the Group include the exploitation of certain internet, mobile and other commercial rights granted by The Football League Limited and by a number of football clubs that compete in the English Football League ("EFL"), the Premier League and the National League to EFL Digital Limited.

The various financial and operational matters resulting out of the COVID-19 pandemic included the conclusion of the 2019/20 Season and ultimately, the postponement of the Leasing.com Final, curtailment of the respective League One and Two Seasons, while Championship fixtures and the Sky bet Play-offs were played behind closed doors.

Following a Club vote, final Divisional placings in League One and League Two were determined on an 'unweighted points per game', with promotion, relegation and play-offs retained across the League's three Divisions.

Attendances at EFL League competitions matches were nearly 13.9 million, 4.9 million (26.0%) lower than the previous season's levels due to the curtailment of League One and League Two, and the final Championship fixtures and Sky bet Play-offs being played behind closed doors. EFL Cup attendances increased by 4.7% on those in 2018/19 at 1.34 million whilst EFL Trophy attendances decreased by 35.3% to 200,000 in 2019/20.

Sky Sports continue to be the EFL's main domestic broadcast partner with 2019/20 being the first Season of the latest 5 year agreement running through to 2023/24. In relation to overseas rights, 2019/20 was the third year of Pitch International's current agreement that runs through to the end of Season 2021/22.

The 2019/20 season was the seventh year that Sky Bet has been the EFL's title sponsor, an arrangement that remains in place for a further 4 years, and the third year of Carabao's sponsorship of the EFL Cup with their deal in place until 2022. 2019/20 was the first season of Leasing.com's title sponsorship of the EFL Trophy, but unfortunately this will not continue into the 2020/21 season.

We would like to express our thanks for the incredible support that has been shown by Sky, Pitch, Sky bet, Carabao and all of our other broadcast and sponsorship partners throughout this Covid-19 pandemic.

2019/20 was the third full year of the Digital platform operated by EFL Digital and the second Season offering live domestic streaming of certain EFL matches. EFL Digital saw an increase in Turnover in the period driven by the growth of UK live streaming, especially after the Championship returned following the Government enforced lockdown. Due to the completion of fixtures behind closed doors, this opened up an opportunity to live stream all remaining fixtures in 2019/20 that were not selected for TV broadcast will all subscription monies being distributed to Clubs as a means to help supplement the loss of gate income.

In other matters, the EFL charged both Derby County and Sheffield Wednesday with breaches of the Championship Profitability & Sustainability (P&S) Rules. The EFL was successful in relation to 1 of the 2 charges placed against Sheffield Wednesday resulting in a disciplinary commission sanctioning the club with a 12 point deduction for the start of the 2020/21 Season, reduced to 6 points following appeal.

The 2 charges placed against Derby County were dismissed but the EFL has lodged an appeal against that decision which is ongoing.

Strategic Report *(continued)*

FINANCIAL REVIEW

Profit and Loss Account

Group turnover for the year is £181.6m, £28.0m (18.3%) higher than the previous period as a result of the new domestic broadcasting agreement with Sky Sports. Other operating income decreased by £19.9m in the period to £0.5m as a result of the recognition of FFP fine monies in the prior period.

Overall the Group's total costs including payments made to member clubs increased by £8.5m (4.8%) to £183.9m in 2020. Distributions payable to member clubs of the EFL have increased by £17.7m to £124.7m mainly reflecting the increases to EFL Basic Award and Facility Fees as a result of the new domestic broadcast deal with Sky. Legal and Consultancy costs have increased by £3m during the period due to litigation in relation to the Profitability & Sustainability Rules; and gate levies received by Clubs, which are normally netted off against external charges, reduced by £5m due to the impact of Covid-19 on stadium attendances. These increases in cost and distributions were offset by the lack of FFP distribution recognised during the period (2019: £20m).

During the period, the Group issued £18.6m of loans to member clubs to provide additional financial support following the impact of the Covid-19 pandemic. The loans were provided interest rate free and repayable over a 3 year period. Under Section 11 of FRS 102, these loans have been discounted to reflect a market rate of interest. Discounting the loans resulted in a one-off charge of £1.4m shown within other finance expenses. The effective interest will unwind over the loan period, with £0.2m recognised as interest receivable in the current period.

The Group's loss for the year of £0.8m was driven by the FRS 102 adjustment for discounting interest free loans made to clubs of £1.4m net of the interest released in the period of £0.2m and the deferred tax credit of £0.2m. A fair value gain of £0.5m (2019: £3.4m loss) on the derivative financial instrument net of the related deferred tax charge of £0.1m (2019: £0.8m credit) also reduced the impact of the discounting charge in the period.

Balance Sheet

Net liabilities at 4 August 2020 amounted to £2.5m compared to net liabilities of £0.5m at 30 June 2019. The movement is mainly due to the loss for the financial year of £0.8m *(2019: £2.7m loss)* and the net re-measurement of the defined benefit liability of £1.2m.

Cash Flow

The Group generated a cash inflow from operating activities in the year of £28.6m *(2019: £2.2m)*. After interest earnings of £0.7m and capital expenditure of £0.2m the Group's cash balances increased by £29.1m to £111.9m at 4 August 2020.

KEY PERFORMANCE INDICATORS

The Group 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:

	2020	2019
	£'000	£'000
Financial KPIs:		
Broadcasting Revenues	**138,665**	115,013
Sponsorship Revenues	**23,305**	22,315
Revenues from Club branded audio and/or visual services	**4,941**	4,438
Gate Levies	**4,496**	9,576
Payments to Clubs	**134,679**	116,954

Strategic Report *(continued)*

KEY PERFORMANCE INDICATORS *(continued)*

	2020 No.	2019 No.
Non-financial KPIs:		
Average League Match Attendance	**10,758***	11,113
Average Number of Employees	**96**	89
Number of Employees at year end	**97**	94

*Average based on those matches completed with fans attending

The 54 EFL Clubs (2019: 58) on the EFL Digital platform had 56,549 domestic audio unique customers during the 2019/20 season (2019: 52,398) and 32,831 international streaming unique customers (2019: 35,984) made up of 11,454 season ticket holders (2019: 9,912) and 23,185 match pass holders (2019: 26,981) who between them purchased 80,860 international match passes (2019: 85,521).

In 2019/20 the UK Live Streaming product for the 54 EFL Clubs produced 81,603 unique customers (2019: 58,891), who between them purchased 220,226 UK match passes (2019: 124,498).

PRINCIPAL RISKS AND UNCERTAINTIES

The Group recognises that effective risk management is fundamental to achieving its business objectives. As well as assessing the ongoing risks that have always faced the business, the Group has been pro-active in considering how the business has and continues to be affected by the emerging risks presented as a result of the Covid-19 pandemic.

The counter measures adopted by the Government as they seek to mitigate the impact of the pandemic, and the resulting disruption and economic effect on the Group and our member Clubs has and will continue to impact on our operations and financial results. Risk management contributes to the success of the business by identifying opportunities and anticipating risks in order to improve business performance and fulfil the Group's contractual obligations.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the board of directors. The Group does not use derivative financial instruments for speculative purposes.

Cash flow risk

During this current Covid-19 pandemic, it is obviously extremely difficult to predict its duration and consequence on the global economy. A key focus for the Group is clearly the availability of cash.

The most material cash flow risk faced by the Group as a result of the pandemic would be the inability to complete fixtures and therefore fulfil the rights committed to as part of our broadcast and sponsorship contracts. Due to the support provided by its broadcast partners, upfront payments included within contracts, and the distribution model, which would react to any significant reduction in income, the group is able to mitigate the risks being faced.

The Group's overseas broadcasting agreements expose it to the financial risks of changes in foreign currency exchange rates. The Group uses foreign exchange forward contracts to hedge these exposures.

Strategic Report *(continued)*

Cash flow risk (continued)

In order to fund the Website Platform for clubs within EFL Digital Limited in 2017, the Company provided a loan of £3,874,273 to EFL Digital Limited which is repayable over the length of the new licence agreements running up to 30 June 2023. At the year end the outstanding balance was £1,839,372 (2019: £2,416,877)

Interest bearing assets and liabilities are held at a fixed rate to ensure certainty of cash flow. The Group's activities do not expose it to material financial risks of changes in interest rates.

Credit risk

The Group's principal financial assets are cash and trade and other receivables.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers. Credit risk is also managed through a thorough due diligence process prior to completion of all 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.

SECTION 172 STATEMENT

The Board of Directors, in line with their duties under s172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have considered a range of matters when making decisions for the long term. In discharging our section 172 duty, we have regard for these factors taking them into consideration when decisions are made. Examples of how the Directors have oversight of stakeholder matters and had regard for these matters when making decisions are set out below:

Member Clubs

The League is in dialogue with its key stakeholders (including its Member Clubs) on a regular basis, with communications from various departments provided each week. The EFL Regulations that are in place govern the decisions made in respect of Clubs, and their activity, and this regular dialogue provides advice and guidance to ensure Clubs are meeting the requirements as outlined.

There are a number of working parties which include Club representatives and Club meetings, as well as role/area-specific Club meetings to engage directly, while the EFL also produces stakeholder publications such as the EFL Handbook, the EFL Magazine and regularly engages with Clubs as it works collectively on a number of campaigns throughout the season.

Employees

The Group places considerable value on the involvement of all its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is done by formal and informal communication, undertaken by the EFL Executive, and includes the circulation of communication issues to Member Clubs, uploading of all relevant information to the Portal, available to all EFL employees, and staff meetings. The EFL introduced an 'Ask Anything' communication tool which allows employees to ask any question anonymously which will be reviewed and responded to by the Executive Leadership Team.

Strategic Report *(continued)*

Employees (continued)

Promoting wellbeing, health and Safety

The Health, Safety and Wellbeing of EFL employees is of paramount importance to the EFL and ensures that all policies and procedures are clear and supportive for all employees. Two EFL Mental Health First Aiders are available for any individual who wishes to discuss a mental health issue, or are in mental health crisis and a wide range of individuals are available at any time should employees wish to discuss any concerns or issues, both personal and professional. On appointment to the EFL, all employees are enrolled to Westfield Cash plan which includes a 24-hour helpline, which provides advice on a range of topics including finance, legal and counselling support (which can also include 6 face to face CBT sessions). Specific Mental Health resources are available to all employees on the Portal. Additional updates are provided and further information and guidance is provided to the EFL by Mind, as the EFL's Charity Partner and training has been undertaken and offered to EFL employees.

The EFL works within its Health and Safety Policy, signed by the Chief Executive Officer, and has a number of specific Health and Safety Policies and Procedures which are provided to employees as part of their induction, or following any amendments and / or updates. Health and Safety Training is undertaken on appointment and as required, and is monitored by the HR & Business Operations Department.

Following the Covid-19 pandemic, the EFL operates in line with relevant Government Guidance and is a Covid-19 employer ensuring that all documentation, including Risk Assessments is circulated to all EFL employees and uploaded to the Portal, available to all EFL employees. The safety of our employees is an extremely high priority and at the forefront of our response to the worldwide pandemic. The Group has taken action across a wide range of fronts in mitigation to the risks presented by the pandemic on our employees. We have encouraged staff to work from home where possible and where staff have returned to the office, we have instituted protective measures to ensure both of our offices are Covid-19 safe environments.

Whistleblowing

The Company operates a confidential whistleblowing service that is available to all employees.

Partners

The EFL's engagement with its commercial partners remains an integral feature of daily activity with relationships utilised to provide a crucial revenue source to the EFL as well as widening the EFL's reach domestically and internationally.

The League's commercial partners are regularly kept abreast of decisions and developments taken within the EFL by dedicated relationship managers, with consideration given at all times to decisions that may impact their reputation, that of the EFL or any potential future revenue. Opportunities continue to be explored to examine areas for new investment, while existing partner rights and campaign activities are being activated to ensure full value is secured for both parties.

Communities

More than 36 million people live within a 10-mile radius of an EFL club, placing them at the heart of local communities up and down the country.

Using the power of the club badge, Clubs and Club Community Organisations (CCOs) have provided a vital lifeline throughout the COVID-19 pandemic, joining together in the face of real adversity to help those most in need delivering food parcels, prescriptions and PPE, as well as making phone calls, providing online sessions and supporting the NHS.

Strategic Report *(continued)*

Communities (continued)

In addition, the EFL throughout the season to produces and delivers a number of campaigns to engage directly with fans such as the Family Excellence Scheme and the Away Fan Experience to continue to provide best practice and improve experiences for those attending EFL fixtures.

Other stakeholders

The EFL engages with a variety of external stakeholders in order to deliver its primary operational objectives of administering and regulating the EFL, the Carabao Cup and the EFL Trophy, as well as reserve and youth football.

Across the business, EFL departments engage to varying degrees of frequency with relevant stakeholders, representing the interests of its members as a collective. Primary stakeholders requiring regular engagement include the domestic "football family" made principally of, but not limited to The Football Association, Premier League, National League, Professional Footballers Association, League Managers Association (LMA), Professional Game Match Officials Ltd (PGMOL), Kick It Out, the Football Supporters Association (FSA) and others.

Government

The EFL works closely with UK Government and associated arms-length bodies (SGSA, HMRC, UKFPU) which is managed principally via its Policy team and senior executives (Chairman, Chief Executive Officer and relevant Senior Management Team leads).

The Department of Culture, Media and Sport (DCMS) is the EFL's host department with engagement occurring on a daily or weekly basis. The EFL maintains many other cross-Government and Departmental relationships, relevant according to the issues of the day. In addition, the EFL works to engage cross-party MPs, Peers, officials, civil servants, advisors and other political stakeholders who can support the League in its public policy objectives.

FUTURE DEVELOPMENTS

The ongoing impact of the pandemic has created an unprecedented situation for the League and game as a whole, with the well-being of Clubs, Players, staff and fans remaining a priority with all decisions informed by Government guidance.

The directors are satisfied with the Group's financial position for the foreseeable future given the broadcast agreements the EFL has in place with both Sky Sports to the end of season 2023/24 and Pitch International to the end of season 2021/22.

Details of any significant events since the balance sheet date are contained in note 24 to the financial statements.

R N Parry
Director

EFL House
10-12 West Cliff
PRESTON
PR1 8HU
6 May 2021

Directors' Report

The directors present their annual report and the audited consolidated financial statements for the period ended 4 August 2020.

GOING CONCERN

The directors have a reasonable expectation that the group and company have adequate resources to continue in operational existence for at least the next 12 months.

This assessment has been made by the Directors taking into account the following:

- The uncertainties of the consequences and duration of the Covid-19 pandemic, specifically around the return of fans into stadia and the ability to complete fixtures.
- The ongoing review on the return of fans into stadiums and the impact this has on the financial results of the Group due to the substantial loss of revenues.
- Stress testing on the Group's forecasts to ensure it has the ability to cover cash requirements in the event of the loss of a large broadcast or sponsorship partner and the continuation of behind closed doors football for another full Season.
- The Group's ability to generate additional funding to supports its own cash flows in the event of further disruption and help prevent a large number of clubs going into administration given the material impact this would have on EFL competitions and the football pyramid.

The Group monitor's its funding position and liquidity risk throughout the year to ensure it has access to sufficient funds to meet forecasted cash requirements. Historically and as evidenced in the primary statements, due to upfront payments received from central broadcast providers and sponsors, the Group has always had sufficient cash to meet its needs.

As a result of the current pandemic, on the 3rd December 2020 the Group announced the agreement of a £65m funding package with the Premier League in order to financially support EFL Clubs in addition to a £117.6m debt facility with MetLife to support the majority of Championship Clubs with PAYE liabilities. The debt facility includes two financial debt service ratio covenants measuring the debt service against both assigned Premier League and EFL distributions of participating Clubs and EFL distributable revenues. Both covenants have been assessed based on the facility terms and forecasts over the 12 month going concern period and indicate that the Group will remain in compliance with the covenants even after sensitivities. The Group has also considered several adverse financial scenarios on its own cash flows and these reviews have included a stress test assumption simulating the continuation of behind closed door football, the loss of the majority of Sponsorship income and the lack of advance for future Overseas Broadcast Revenues whilst the Group maintained its Basic Award distributions to clubs in full. In this scenario, the Group was able to maintain a positive cash position for at least a 12 month period.

Thus the Group 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 (*2019: £nil*).

ENERGY AND CARBON REPORT

The directors are required to prepare and file energy and carbon information under The Companies and Limited Liability Partnerships Regulations 2018.

Directors' Report *(continued)*

ENERGY AND CARBON REPORT *(continued)*

UK Greenhouse gas emissions and energy use data for the period 1 July 2019 to 4 August 2020	**2020**	**2019**
Energy consumption used to calculate emissions (kWh)	419,060	477,317
Energy consumption break down (kWh):		
• Gas	3,872	3,778
• Electricity	164,123	171,073
• Transport fuel	251,065	302,467
Scope 1 emissions in metric tonnes CO2e		
Gas consumption	0.71	0.69
Owned transport – company cars	33.96	48.43
Total Scope 1	34.67	49.12
Scope 2 emissions in metric tonnes CO2e		
Purchased electricity	38.26	39.88
Scope 3 emissions in metric tonnes CO2e		
Business travel in employee owned vehicles	34.98	34.35
Total gross emissions in metric tonnes CO2e0	107.91	123.35
Intensity ratio tonnes CO2e per employee	1.12	1.39

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per headcount.

Measures taken to improve energy efficiency

Following the restrictions imposed on the United Kingdom during the outbreak of Covid-19, the Group has implemented new procedures to reduce the need to travel across the country. All meeting rooms are now fitted with video conferencing equipment to allow staff and board meetings to be conducted through video conferencing technology.

STRATEGIC REPORT

Disclosures required by s416(4) of the Companies Act 2006 which have been included within the Strategic Report on pages 2 to 7 are:

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

Directors' Report *(continued)*

DIRECTORS AND THEIR INTERESTS

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

M Ashton
D F Baldwin (appointed 17 June 2020 and resigned 31 December ~~220)~~ 2020)
S Bazalgette
T N Birch (appointed 1 January 2021)
S Curwood
S A Harvey (resigned 1 July 2019)
N Howe
J D Moxey
D A Jevans CBE
J L Nixon
R N Parry (appointed 7 October 2019)
S A Pearce

DISCLOSURE OF INFORMATION TO AUDITOR

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

AUDITOR

In accordance with Section 485 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the board of directors and signed on behalf of the board.

R N Parry
Director

EFL House
10-12 West Cliff
PRESTON
PR1 8HU
6 May 2021

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of the group's profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

KPMG LLP

1 St. Peter's Square

Manchester

M2 3AE

United Kingdom

Independent auditor's report to the members of The Football League Limited

Opinion

We have audited the financial statements of The Football League Limited ("the company") for the period ended 4 August 2020 which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 4 August 2020 and of the group's loss for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial period is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 11, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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

Roger Nixon

Roger Nixon (Senior Statutory Auditor)
for and on behalf of KPMG LLP
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

10 May 2021

Consolidated Profit and Loss Account

For the period ended 4 August 2020

	Note	2020 Underlying	2020 Non-Underlying (1)	2020 Total	2019 Total
		£	£	£	£
Group turnover	3	**181,562,920**	-	**181,562,920**	153,558,399
Other operating income	6	**545,367**	-	**545,367**	20,407,223
External charges		**(148,696,254)**	-	**(148,696,254)**	(145,779,504)
Staff costs	4	**(5,634,729)**	-	**(5,634,729)**	(5,711,595)
Other operating charges		**(28,517,413)**	-	**(28,517,413)**	(23,953,119)
Group operating loss	6	**(740,109)**	-	**(740,109)**	(1,478,596)
Share of results of associates and joint ventures	12	**(122,374)**	-	**(122,374)**	298,952
Fair value movement in derivative financial instrument		-	**549,451**	**549,451**	(3,350,043)
Net interest receivable and similar income	7	**689,848**	**205,739**	**895,587**	910,686
Other finance expenses	8	**(191,000)**	**(1,373,183)**	**(1,564,183)**	(167,000)
Loss on ordinary activities before taxation		**(363,635)**	**(617,993)**	**(981,628)**	(3,786,001)
Tax on loss on ordinary activities	9	**22,601**	**157,624**	**180,225**	1,089,774
Loss for the financial period		**(341,034)**	**(460,369)**	**(801,403)**	(2,696,227)

All the above results derive from continuing operations.

(1) The Group makes payments to Clubs calculated on the basis of underlying performance. Underlying performance is defined as total results adjusted to exclude the fair value movement in derivative financial instruments and the effective interest rate income and discounting charge linked to an interest free loan provided to member Clubs during the period. Both elements have been disclosed within a separate column as non-underlying as these costs are not considered to be representative of the true trading performance of the Group. A separate column has not been presented to show the non-underlying items for the period to 30 June 2019. However, these figures are shown in the following paragraphs.

As the Group has not adopted hedge accounting under Sections 11 and 12 of FRS 102, the fair value movement in derivative financial instruments of £549,451 (*2019: £3,350,043*) is shown within the profit and loss account. The tax charge of £64,190 (*2019: £793,585 credit*) arises due to the deferred tax liability recognised in relation to the movement in the derivative financial instrument. The underlying loss for the period to 30 June 2019 was £139,769 with the fair value movement being (£2,556,458).

During the period, the group issued £18,640,461 of loans to member clubs to provide additional financial support following the impact of the Covid-19 pandemic. The loans were provided interest rate free and repayable over a 3 year period. Under Section 11 of FRS 102, these loans have been discounted to reflect a market rate of interest. Discounting the loans resulted in a one-off charge of £1,373,183 shown within other finance expenses. The effective interest will unwind over the loan period, with £205,739 recognised as interest receivable in the current period. A net tax credit of £221,814 arises due to the deferred tax asset recognised for losses. Further details can be found in notes 7, 8 & 13.

The accompanying notes on pages 22 to 44 form part of the financial statements.

Consolidated Statement of Comprehensive Income

For the period ended 4 August 2020

	Note	2020 Underlying	2020 Non-Underlying (1)	2020 Total	2019 Total
		£	£	£	£
Loss for the financial period		**(341,034)**	**(460,369)**	**(801,403)**	(2,696,227)
Re-measurement of the defined benefit liability	16	**(1,449,000)**	-	**(1,449,000)**	(903,000)
Deferred tax on the re-measurement of the defined benefit liability		**275,310**	-	**275,310**	153,510
Other comprehensive loss for the period, net of income tax		**(1,173,690)**	-	**(1,173,690)**	(749,490)
Total comprehensive loss for the period		**(1,514,724)**	**(460,369)**	**(1,975,093)**	(3,445,717)

(1) The Group makes payments to Clubs calculated on the basis of underlying performance. Underlying performance is defined as total results adjusted to exclude the fair value movement in derivative financial instruments and the effective interest rate income and discounting charge linked to an interest free loan provided to member Clubs during the period. Both elements have been disclosed within a separate column on the profit and loss account as it is believed that the underlying results represent the true trading performance of the Group. A separate column has not been presented to show the results for the period to 30 June 2019.

As the Group has not adopted hedge accounting under Sections 11 and 12 of FRS 102, the fair value movement in derivative financial instruments of £549,451 (*2019: £3,350,043*) is shown within the profit and loss account. The tax charge of £64,190 (*2019: £793,585 credit*) arises due to the deferred tax liability recognised in relation to the movement in the derivative financial instrument. The underlying loss for the period to 30 June 2019 was £139,769 with the fair value movement being (£2,556,458).

During the period, the group issued £18,640,461 of loans to member clubs to provide additional financial support following the impact of the Covid-19 pandemic. The loans were provided interest rate free and repayable over a 3 year period. Under Section 11 of FRS 102, these loans have been discounted to reflect a market rate of interest. Discounting the loans resulted in a one-off charge of £1,373,183 shown within other finance expenses. The effective interest will unwind over the loan period, with £205,739 recognised as interest receivable in the current period. A net tax credit of £221,814 arises due to the deferred tax asset recognised for losses. Further details can be found in notes 7, 8 & 13.

The accompanying notes on pages 22 to 44 form part of the financial statements.

Consolidated Balance Sheet
As at 4 August 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Intangible assets	10		**3,174,243**		4,319,042
Tangible assets	11		**3,445,337**		3,667,566
Investments	12		**501,025**		623,398
			7,120,605		8,610,006
Current assets					
Debtors (including £26,456,765 *(2019: £15,054,243)* due after more than one year)	13	**89,920,794**		130,692,281	
Cash at bank and in hand		**111,974,081**		82,883,275	
Derivative financial instruments	22	**674,314**		376,057	
		202,569,189		213,951,613	
Creditors: amounts falling due within one year	14	**(150,567,040)**		(160,301,411)	
Net current assets			**52,002,149**		53,650,202
Total assets less current liabilities			**59,122,754**		62,260,208
Creditors: amounts falling due after more than one year	15		**(54,396,129)**		(57,039,490)
Net assets excluding pension liability			**4,726,625**		5,220,718
Provisions for liabilities					
Pension liability	16		**(7,223,000)**		(5,742,000)
Net liabilities			**(2,496,375)**		(521,282)
Capital and reserves					
Called up share capital	17		**-**		-
Profit and loss account			**(2,496,375)**		(521,282)
Equity shareholders' deficit			**(2,496,375)**		(521,282)

These financial statements of The Football League Limited, Company no 80612 were approved by the Board of Directors on 6 May 2021.

Signed on behalf of the Board of Directors

R N Parry
Director

The accompanying notes on pages 22 to 44 form part of the financial statements.

Company Balance Sheet
As at 4 August 2020

	Note	2020	2020	2019	2019
		£	£	£	£
Fixed assets					
Intangible assets	10		**35,195**		67,698
Tangible assets	11		**3,445,337**		3,667,566
Investments	12		**349,885**		349,885
			3,830,417		4,085,149
Current assets					
Debtors (including £27,701,177 *(2019:* £16,893,615*)* due after more than one year)	13	**90,912,252**		133,648,484	
Cash at bank and in hand		**110,539,421**		81,235,816	
Derivative financial assets	22	**674,314**		376,057	
		202,125,987		215,260,357	
Creditors: amounts falling due within one year	14	**(148,532,723)**		(159,150,881)	
Net current assets			**53,593,264**		56,109,476
Total assets less current assets			**57,423,681**		60,194,625
Creditors: amounts falling due after more than one year	15		**(54,396,129)**		(57,039,490)
Net assets excluding pension liability			**3,027,552**		3,155,135
Provisions for liabilities					
Pension liability	16		**(7,223,000)**		(5,742,000)
Net liabilities			**(4,195,448)**		(2,586,865)
Capital and reserves					
Called up share capital	17		**-**		-
Profit and loss account			**(4,195,448)**		(2,586,865)
Equity shareholders' deficit			**(4,195,448)**		(2,586,865)

These financial statements of the Football League Limited, Company no 80612 were approved by the Board of Directors on 6 May 2021.

Signed on behalf of the Board of Directors

R N Parry
Director

The accompanying notes on pages 22 to 44 form part of the financial statements.

Consolidated Statement of Changes in Equity

	Called up Share capital £	Profit and loss account £	Total equity £
Balance at 1 July 2018	-	2,924,435	2,924,435
Total comprehensive loss for the period			
Loss for the financial year	-	(2,696,227)	(2,696,227)
Other comprehensive loss:			
Re-measurement of the defined benefit liability	-	(903,000)	(903,000)
Deferred tax on defined benefit liability	-	153,510	153,510
Total comprehensive loss for the period	-	(3,445,717)	(3,445,717)
Balance at 30 June 2019	-	(521,282)	(521,282)

	Called up Share capital £	Profit and loss account £	Total equity £
Balance at 1 July 2019	-	(521,282)	(521,282)
Total comprehensive loss for the period			
Loss for the financial period	-	(801,403)	(801,403)
Other comprehensive loss:			
Re-measurement of the defined benefit liability	-	(1,449,000)	(1,449,000)
Deferred tax on defined benefit liability	-	275,310	275,310
Total comprehensive loss for the period	-	(1,975,093)	(1,975,093)
Balance at 4 August 2020	-	(2,496,375)	(2,496,375)

The accompanying notes on pages 22 to 44 form part of the financial statements.

Company Statement of Changes in Equity

	Called up Share capital £	Profit and loss account £	Total equity £
Balance at 1 July 2018	-	574,112	574,112
Total comprehensive loss for the period			
Loss for the financial year	-	(2,411,487)	(2,411,487)
Other comprehensive income:			
Re-measurement of the defined benefit liability	-	(903,000)	(903,000)
Deferred tax on defined benefit liability	-	153,510	153,510
Total comprehensive loss for the period	-	(3,160,977)	(3,160,977)
Balance at 30 June 2019	-	(2,586,865)	(2,586,865)

	Called up Share capital £	Profit and loss account £	Total equity £
Balance at 1 July 2019	-	(2,586,865)	(2,586,865)
Total comprehensive loss for the period			
Loss for the financial period	-	(434,893)	(434,893)
Other comprehensive income:			
Re-measurement of the defined benefit liability	-	(1,449,000)	(1,449,000)
Deferred tax on defined benefit liability	-	275,310	275,310
Total comprehensive loss for the period	-	(1,608,583)	(1,608,583)
Balance at 4 August 2020	-	(4,195,448)	(4,195,448)

The accompanying notes on pages 22 to 44 form part of the financial statements.

Consolidated Cash Flow Statement
For period ended 4 August 2020

	2020	2019
	£	£
Cash flows from operating activities		
Loss for the period	**(801,403)**	(2,696,227)
Adjustments for:		
Depreciation, amortisation and impairment	**1,507,009**	1,335,567
Net interest receivable and similar income	**(895,587)**	(910,686)
Other finance expenses	**191,000**	167,000
Effective interest rate discounting	**1,373,183**	-
Share of net operating loss/(profit) in joint venture	**122,374**	(298,952)
Deferred tax movement	**(180,225)**	(868,118)
Fair value (gain)/loss on derivative financial instrument	**(549,451)**	3,350,043
Decrease/(Increase) in trade and other debtors	**40,457,603**	(20,125,704)
(Decrease)/Increase in trade and other creditors	**(12,637,920)**	22,507,649
Corporation tax paid	**-**	(219,979)
Net cash from operating activities	**28,586,583**	2,240,593
Cash flows from investing activities		
Interest received	**689,848**	910,686
Acquisition of tangible fixed assets	**(66,838)**	(300,138)
Capitalised development expenditure	**(118,787)**	(701,984)
Net cash from investing activities	**504,223**	(91,436)
Cash flows from financing activities		
Interest paid	**-**	-
Net cash from financing activities	**-**	-
Net increase in cash and cash equivalents	**29,090,806**	2,149,157
Cash and cash equivalents at 1 July 2019	**82,883,275**	80,734,118
Cash and cash equivalents at 4 August 2020	**111,974,081**	82,883,275

The accompanying notes on pages 22 to 44 form part of the financial statements.

Notes to the Financial Statements
For the period ended 4 August 2020

1. ACCOUNTING POLICIES

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

Basis of preparation

The Football League Limited (the "Company") is a Company limited by shares and incorporated and domiciled in the United Kingdom under the Companies Act 2006. 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 to 7.

The functional currency of The Football League Limited is considered to be pounds sterling because that is the primary economic environment in which the Company operates.

The financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial reporting Standard* applicable in the UK and Republic of Ireland (*"FRS102"*).

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company Cash Flow Statement with related notes is included; and
- Key Management Personnel compensation has not been included a second time.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 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.

Change of financial period end

The financial period end of the Group was changed from 30 June to 31 July, resulting in a 13 month period. The financial statements have been prepared to the 4 August 2020 to align with the end of the 2019/2020 football season.

Accordingly, the comparative figures for the income statements, statements of changes in equity, cash flow statements and the related notes are for twelve months from 1 July 2018 to 30 June 2019.

Basis of consolidation

The Group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to the financial period end. The results of subsidiaries acquired or disposed of are consolidated for the periods from or to the date on which control passed. Control is achieved when the Company has the ability and right, directly or indirectly, to govern the financial and operating policies of an entity. This is evidence for all of the Group's subsidiaries. Acquisitions are accounted for under the acquisition method. 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.

Notes *(continued)*

1. ACCOUNTING POLICIES (continued)

Going concern

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

The Group has net liabilities of £2,496,375 as at 4 August 2020 driven by the pension scheme liability, the effective interest charge calculated on the Covid 19 Loans made to Clubs and the foreign exchange instrument valuation which are all excluded from the Company's results prior to making distributions to member Clubs and these costs are expected to unwind over time. The Group makes distributions to its members after accounting for all known and future costs and as a result is able to successfully manage its day to day obligations and cash resources. 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 as set out in the Strategic Report on pages 2 to 7.

This assessment has been made by the Directors taking into account the following:

- The uncertainties of the consequences and duration of the Covid-19 pandemic, specifically around the return of fans into stadia and the ability to complete fixtures.
- The ongoing review on the return of fans into stadiums and the impact this has on the financial results of the Group due to the substantial loss of revenues.
- Stress testing on the Group's forecasts to ensure it has the ability to cover cash requirements in the event of the loss of a large broadcast or sponsorship partner and the continuation of behind closed doors football for another full Season.
- The Group's ability to generate additional funding to supports its own cash flows in the event of further disruption and help prevent a large number of clubs going into administration given the material impact this would have on EFL competitions and the football pyramid.

The Group monitors its funding position and liquidity risk throughout the year to ensure it has access to sufficient funds to meet forecasted cash requirements. Historically and as evidenced in the primary statements, due to upfront payments received from central broadcast providers and sponsors, the Group has always had sufficient cash to meet its needs.

As a result of the current pandemic, on the 3rd December 2020 the Group announced the agreement of a £65m funding package with the Premier League in order to financially support EFL Clubs in addition to a £117.6m debt facility with MetLife to support the majority of Championship Clubs with PAYE liabilities. The debt facility includes two financial debt service ratio covenants measuring the debt service against both assigned Premier League and EFL distributions of participating Clubs and EFL distributable revenues. Both covenants have been assessed based on the facility terms and forecasts over the 12 month going concern period and indicate that the Group will remain in compliance with the covenants even after sensitivities. The Group has also considered several adverse financial scenarios on its own cash flows and these reviews have included a stress test assumption simulating the continuation of behind closed door football, the loss of the majority of Sponsorship income and the lack of advance for future Overseas Broadcast Revenues whilst the Group maintained its Basic Award distributions to clubs in full. In this scenario, the Group was able to maintain a positive cash position for at least a 12 month period.

As a consequence, the directors believe that the group is well placed to manage its business risks successfully. The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for at least the next 12 months. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Notes *(continued)*

1. ACCOUNTING POLICIES (continued)

Intangible assets - Website research and development costs

In accordance with FRS 102, website design and development costs are capitalised as intangible assets, only to the extent that the directors are satisfied as to the technical, commercial and financial viability of the individual project. 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. Website research expenditure is written off as incurred.

All development costs attached to the new platform have been capitalised and will be depreciated up to 30 June 2023.

Capitalised intangible fixed assets are stated at cost, net of amortisation and any provision for impairment. Amortisation on intangible fixed assets is calculated on a straight line basis and aims to write down their cost over the period during which the company is expected to benefit as follows:

Website Development Costs	0 to 6 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	Period of lease
Equipment	4 to 10 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.

In the group financial statements, investments in associates and joint venture undertakings are accounted for using the equity method. Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect 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 statement of changes in equity.

In the Company financial statements investments in associates are accounted for at cost less impairment.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument. This includes debt instruments that have no stated interest rate.

Notes *(continued)*

1. ACCOUNTING POLICIES (continued)

Derivative financial instruments

The Company uses derivative financial instruments to reduce exposure to foreign exchange risk. The Company does not hold or issue derivative financial instruments for speculative purposes. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured at their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately.

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.

Taxation

The taxation credit for the period is detailed in note 9.

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 credit for taxation is based on the 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.

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.

Each Club must pay the League a gate levy on the net proceeds from the sale of season tickets in respect of each season and on its net gate receipts from each League and Cup match.

Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Payments to Clubs are recorded as External Charges in the period in which the related revenue is recognised.

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.

Notes *(continued)*

1. ACCOUNTING POLICIES *(continued)*

Foreign currency

Transactions in foreign currency are recorded at the rate of exchange at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Other exchange differences are recognised in profit or loss in the period in which they arise.

Operating lease arrangements

The Group as a lessee

Rental applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits equally over the life of the lease, even if payments are not made on such a basis.

The Group as a lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

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 loss for the financial period amounted to £434,893 (*2019: £2,411,487 loss*).

3. TURNOVER

Turnover arises from the activities of organising and promoting annual League Football competitions.

The amount of barter transactions for goods and other services recognised in turnover is £1,150,000 (*2019: £1,379,000*).

All turnover arises in the United Kingdom, with the exception of £26,379,971 *(2019: £26,667,487)* which arises from the sale of television rights to worldwide broadcasters for worldwide transmission and overseas customers purchasing subscriptions to the iFollow product. All of the Group's assets are held in the United Kingdom.

4. STAFF COSTS

	2020	2019
	£	£
Staff costs during the period (including directors):		
Wages and salaries	**4,574,311**	4,707,420
Social security costs	**583,610**	609,545
Other pension costs	**476,808**	394,630
	5,634,729	5,711,595

The average monthly number of employees was 96 (*2019: 89*).

Notes *(continued)*

5. DIRECTORS' REMUNERATION

	2020	2019
	£	£
The total amounts for directors' remuneration and other benefits were as follows:		
Salaries	**474,806**	687,231
Severance payments	**-**	511,658
	474,806	1,198,889

In addition, pension contributions of £15,118 *(2019: £30,750)* were made on behalf of one of the directors.

Severance payments totalling £511,658 were made to one director in the prior period who resigned from office after 30 June 2019.

Remuneration of the highest paid director:

	2020	2019
	£	£
Aggregate emoluments (excluding severance payments)	**207,021**	464,449

In addition, the highest paid director is a member of the Company's defined contribution pension scheme and during the period pension contributions of £15,000 *(2019: £30,750)* were made on behalf of the director.

6. OPERATING LOSS

	2020	2019
Operating loss is stated after charging/(crediting):	**£**	£
Fees payable to the Company's auditor for the audit of the annual accounts		
- Group	**68,700**	51,300
- Company	**55,000**	43,000
Fees payable to the Company's auditor for other services to the Group		
- Corporation tax compliance	**10,500**	10,500
- Other services	**7,660**	7,660
Depreciation of tangible fixed assets	**289,067**	253,442
Amortisation of other intangible fixed assets	**1,217,942**	1,082,125
Operating lease rentals	**535,064**	269,805
Fair value movement (gain)/loss in derivative financial instrument	**(549,451)**	3,350,043
Other operating income	**(545,367)**	(20,407,223)

Other operating income in the prior period included a FFP Settlement of £20m reached with Queens Park Rangers.

Notes *(continued)*

7. NET INTEREST RECEIVABLE AND SIMILAR INCOME

	2020	2019
	£	£
Bank interest receivable	**689,848**	910,686
Effective interest rate income	**205,739**	-
Interest receivable	**895,587**	910,686

Unwinding effective interest rate represents the unwinding of interest on loans provided to member clubs. Further details can be found in note 8 and note 13.

8. OTHER FINANCE EXPENSES

	2020	2019
	£	£
Net interest expense on net defined benefit liabilities	**154,000**	133,000
Pension Administration Expenses	**37,000**	34,000
Effective interest rate discounting charge	**1,373,183**	-
	1,564,183	167,000

Effective interest rate discounting charge represents the discounting of loans issued to member clubs. During the period, £18,640,461 of loans were provided to support member clubs following the impact of the Covid-19 pandemic. The loans were provided interest rate free, repayable over a 3 year period, and have been discounted to reflect a market rate of interest. The discounting resulted in a one-off charge of £1,373,183 to the current period profit and loss account. The effective interest will unwind over the loan period and is shown in note 7.

Notes *(continued)*

9. TAX ON LOSS ON ORDINARY ACTIVITIES

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

	2020	2019
	£	£
Current tax:		
UK corporation tax	**-**	(108,675)
Adjustments in respect of prior periods	**(2,579)**	(112,981)
Total current tax	**(2,579)**	(221,656)
Deferred tax:		
Origination/reversal of timing differences	**(452,956)**	(1,021,628)
Total deferred tax	**(452,956)**	(1,021,628)
Total tax	**(455,535)**	(1,243,284)

	2020			2019		
	£000 Current tax	**£000 Deferred tax**	**£000 Total tax**	£000 Current tax	£000 Deferred tax	£000 Total tax
Recognised in Profit and loss account	**(2,579)**	**(177,646)**	**(180,225)**	(221,656)	(868,118)	(1,089,774)
Recognised in other comprehensive income	**-**	**(275,310)**	**(275,310)**	-	(153,510)	(153,510)
Total tax	**(2,579)**	**(452,956)**	**(455,535)**	(221,656)	(1,021,628)	(1,243,284)

The corporation tax credit for the current period is different than that resulting from applying the standard rate of corporation tax in the UK. The differences are explained below:

	2020	2019
	£	£
Loss for the period	**(801,403)**	(2,696,227)
Total tax credit	**(180,225)**	(1,089,774)
Loss before taxation	**(981,628)**	(3,786,001)
Tax on loss on ordinary activities at 19% (*2019: 19%*)	**(186,509)**	(719,340)
Non-deductible expenses	**9,388**	8,551
Adjustment to tax charge in respect of previous periods	**9,767**	(112,981)
Change in tax rates on deferred tax brought forward	**(114,495)**	-
Other	**101,624**	(266,004)
	(180,225)	(1,089,774)

Notes *(continued)*

9. TAX ON LOSS ON ORDINARY ACTIVITIES *(continued)*

A deferred tax charge of £64,190 has been recognised at 4 August 2020 (*2019: £793,585 credit*) in relation to a fair value gain on derivative financial instruments of £549,451 (*2019: £3,350,043 loss*) of which the full amount has been disregarded in the computation of current tax. The recognition of derivative financial instruments on the balance sheet is in accordance with FRS 102.

10. INTANGIBLE FIXED ASSETS

The Group	Website Development costs	Internet and media rights	Total
	£	£	£
Cost			
At 1 July 2019	6,428,174	1	**6,428,175**
Additions	73,143	-	**73,143**
At 4 August 2020	6,501,317	1	**6,501,318**
Amortisation			
At 1 July 2019	2,109,133	-	**2,109,133**
Amortisation charge	1,217,942	-	**1,217,942**
At 4 August 2020	3,327,075	-	**3,327,075**
Net book value			
At 4 August 2020	3,174,242	1	**3,174,243**
At 1 July 2019	4,319,041	1	**4,319,042**

The Company	Website Development costs	Total
	£	£
Cost		
At 1 July 2019	235,769	**235,769**
Additions	4,790	**4,790**
At 4 August 2020	240,559	**240,559**
Amortisation		
At 1 July 2019	168,071	**168,071**
Amortisation charge	37,293	**37,293**
At 4 August 2020	205,364	**205,364**
Net book value		
At 4 August 2020	35,195	35,195
At 1 July 2019	67,698	**67,698**

Notes *(continued)*

11. TANGIBLE FIXED ASSETS

The Group	Improvements to short leasehold premises £	Equipment £	Land & Buildings £	Total £
Cost				
At 1 July 2019	334,548	2,297,994	2,795,877	**5,428,419**
Additions	-	65,911	927	**66,838**
At 4 August 2020	334,548	2,363,905	2,796,804	**5,495,257**
Depreciation				
At 1 July 2019	164,817	1,485,185	110,851	**1,760,853**
Charge for the period	20,193	221,646	47,228	**289,067**
At 4 August 2020	185,010	1,706,831	158,079	**2,049,920**
Net book value				
At 4 August 2020	149,538	657,074	2,638,725	**3,445,337**
At 1 July 2019	169,731	812,809	2,685,026	**3,667,566**

The Company	Improvements to short leasehold premises £	Equipment £	Land & Buildings £	Total £
Cost				
At 1 July 2019	334,548	2,294,115	2,795,877	**5,424,540**
Additions	-	65,911	927	**66,838**
At 4 August 2020	334,548	2,360,026	2,796,804	**5,491,378**
Depreciation				
At 1 July 2019	164,817	1,481,306	110,851	**1,756,974**
Charge for the period	20,193	221,646	47,228	**289,067**
At 4 August 2020	185,010	1,702,952	158,079	**2,046,041**
Net book value				
At 4 August 2020	149,538	657,074	2,638,725	**3,445,337**
At 30 June 2019	169,731	812,809	2,685,026	**3,667,566**

Notes *(continued)*

12. FIXED ASSET INVESTMENTS

The Group	Joint venture undertaking	Associate undertaking	2020 Total	2019 Total
	£	£	£	£
Cost and net book value				
At 1 July 2019	11,582	611,816	623,398	324,446
Share of (loss)/profit	(61)	(122,312)	(122,373)	298,952
At 4 August 2020	**11,521**	**489,504**	**501,025**	**623,398**

The Company	Shares in subsidiary and joint venture undertaking	Discounting on loan to subsidiary undertaking	Total
	£	£	£
Cost and net book value			
At 1 July 2019 and 4 August 2020	**550**	**349,335**	**349,885**

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
EFL Digital Limited	Provision of internet websites	100%
The Football League Trust Limited	Dormant	100%

The Football League (Community) Limited is the sole member of The Football League Trust Limited and is registered in England and Wales and incorporated in Great Britain. It uses the power of sport to improve lives and make a positive contribution to communities all over the country, using its network of EFL club trusts. 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 as it does not have the voting rights to have control over the Football League (Community) Limited board or the power to remove or appoint trustees in order to gain such control. The total income of Football League (Community) Limited for the period ended 4 August 2020 was £18,217,691 *(2019: £19,504,359)* with distributions and expenditure totalling £15,943,112 (*2019: £17,523,865*). Unrestricted funds as at 4 August 2020 amounted to £3,323,185 *(2019: £4,433,384)*. £165,667 *(2019: £109,435)* was payable by The Football League (Community) Limited to The Football League Limited at the period end which is held within other debtors. £300,000 *(2019: £200,000)* was payable by The Football League Limited to The Football League (Community) Limited at the period end which is held within other creditors.

Notes *(continued)*

12. FIXED ASSET INVESTMENTS *(continued)*

FLT Community Trading Limited is a wholly owned trading subsidiary of The Football League (Community) Limited and is registered in England and Wales and incorporated in Great Britain. FLT Community Trading Limited received funds from commercial partners which were distributed to the community schemes on the partners' behalf, throughout the period, with any surplus gifted to The Football League (Community) Limited. Consolidated accounts, at a Football League (Community) Limited level, are prepared and filed at Companies House, Crown Way, Cardiff, CF14 3UZ. The total turnover of FLT Community Trading Limited for the period ended 4 August 2020 was £nil *(2019: £586,000)* with distributions and expenditure totalling £2,819 *(2019: £557,312)*.

An amount of £nil was gifted to The Football League (Community) Limited (2019: £28,866), as FLT Community Trading Limited recorded an operating loss of £2,819.

There were no amounts payable or receivable at the period end between The Football League Limited and FLT Community Trading Limited.

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 of 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, Brunel Building, 57 North Wharf Road, London, W2 1HQ.

£7,048,389 was payable by Football DataCo Limited to the company in the period. At the period end £6,304,665 was outstanding and presented within debtors *(2019: £980,957)*.

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 of 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.

During the period, £4,451,612 was payable by the company to Professional Game Match Officials Limited. At the period end £380,514 was owed by the Company to Professional Game Match Officials Limited *(2019: £44,649* outstanding*)*.

Football DataCo Limited and Professional Game Match Officials Limited both have a year end of 31 July 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 period to 4 August 2020.

Notes *(continued)*

12. FIXED ASSET INVESTMENTS *(continued)*

	Football DataCo Limited		Professional Game Match Officials Limited	
	2020	2019	**2020**	2019
	£	£	**£**	£
Company share of:				
Fixed assets	**-**	-	**26,600**	17,473
Current assets	**5,141,808**	2,088,457	**2,739,926**	2,016,251
Current liabilities – due within one year	**(5,130,287)**	(2,076,875)	**(2,277,022)**	(1,421,908)
Share of net assets	**11,521**	11,582	**489,504**	611,816

13. DEBTORS

	Group		Company	
	2020	2019	**2020**	2019
	£	£	**£**	£
Amounts receivable within one year:				
Trade debtors	**8,959,202**	87,452,307	**8,550,744**	87,436,949
Other debtors	**9,041,875**	4,446,827	**8,770,773**	4,486,749
Prepayments and accrued income	**34,691,318**	22,429,364	**33,889,968**	22,180,612
VAT receivable	**74,312**	147,420	**-**	-
Deferred tax	**276,899**	73,342	**170,590**	-
Corporation tax	**110,401**	107,821	**40,677**	38,098
Amounts owed by subsidiary undertaking	**-**	-	**883,341**	1,053,999
Loan owed by subsidiary undertaking	**-**	-	**594,960**	577,505
Amounts owed by joint venture undertaking	**6,304,665**	980,957	**6,304,665**	980,957
Loans to members	**4,005,357**	-	**4,005,357**	-
	63,464,029	115,638,038	**63,211,075**	116,754,869
Amounts receivable after more than one year				
Other debtors	**11,900,000**	13,600,000	**11,900,000**	13,600,000
Loan owed by subsidiary undertaking	**-**	-	**1,244,412**	1,839,372
Loans to members	**12,827,079**	-	**12,827,079**	-
Prepayments and accrued income	**357,316**	478,103	**357,316**	478,103
Deferred tax asset	**1,372,370**	976,140	**1,372,370**	976,140
	89,920,794	130,692,281	**90,912,252**	133,648,484

During the period to 4 August 2020, the Company issued interest-free loans to member clubs amounting to £18,640,461 to provide financial support during the Covid-19 pandemic and subsequent closed door stadium policies. At the period end, £17,999,881 remained outstanding before discounting the loans to their present value. At the period end, the present value of the loans to members were £4,005,357 due within one year and £12,827,079 due greater than one year.

Notes *(continued)*

13. DEBTORS *(continued)*

The deferred tax asset is made up of deferred tax on the Company pension scheme of £1,372,370 *(2019: £976,140)*.

EFL Digital has a loan of £1,839,372 *(2019: £2,416,877)* with The Football League Limited which is repayable over the length of the EFL Digital licence agreements running up to 30 June 2023.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2020	2019	**2020**	2019
	£	£	**£**	£
Trade creditors	**1,256,289**	1,302,824	**807,212**	956,242
Amounts due to subsidiary undertaking	**-**	-	**609,647**	689,155
Other creditors	**3,254,047**	10,808,868	**3,254,047**	10,808,868
VAT payable	**12,983,405**	12,585,669	**12,983,405**	12,585,669
Deferred Tax	**210,760**	63,930	**210,760**	63,930
Other taxation and social security	**21,357**	-	**21,357**	-
Accruals and deferred income	**132,841,182**	135,540,120	**130,646,295**	134,047,017
	150,567,040	160,301,411	**148,532,723**	159,150,881

The deferred tax liability is made up of deferred tax on the fair value gain arising from the Group's derivative financial instrument.

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

	Group		Company	
	2020	2019	**2020**	2019
	£	£	**£**	£
Accruals and deferred income	**54,396,129**	57,039,490	**54,396,129**	57,039,490

Notes *(continued)*

16. PENSION COMMITMENTS

Defined benefit scheme

The group operates a defined benefit pension scheme which was closed to new entrants from 1 March 2010. The disclosures are consistent with the full actuarial valuation carried out as at 1 August 2016 by a qualified actuary, independent of the scheme's sponsoring employer. At the time of calculating the disclosures, the schedule of contributions following the 2019 valuation had not been agreed.

During the period to 4 August 2020, the group paid contributions at the rate of 10.5% of pensionable pay and monthly deficit contributions of £13,555 monthly up to 31 July 2020 (£13,186 monthly up to 31 July 2019).

Member contributions were also payable at the rate of 6.5% of pensionable pay.

Net pension liability	**2020**	2019	2018
	£	£	£
Defined benefit obligation	**(14,805,000)**	(12,798,000)	(11,336,000)
Fair value of scheme assets	**7,582,000**	7,056,000	6,504,000
Net pension liability	**7,223,000**	5,742,000	4,832,000

Movement in present value of defined benefit obligation:	**2020**	2019	2018
	£	£	£
Scheme liabilities at start of period	**12,798,000**	11,336,000	11,414,000
Current service cost	**131,000**	102,000	100,000
Interest expense	**346,000**	317,000	313,000
Contributions by scheme participants	**48,000**	44,000	42,000
Actuarial losses/(gains)	**1,748,000**	1,141,000	(339,000)
Benefits paid	**(266,000)**	(142,000)	(194,000)
Scheme liabilities at the end of period	**14,805,000**	12,798,000	11,336,000

Movement in fair value of plan assets	**2020**	2019
	£	£
Fair value of scheme assets at start of period	**7,056,000**	6,504,000
Interest income on scheme assets	**192,000**	184,000
Re-measurement – return on assets excluding interest income gain	**299,000**	238,000
Contributions by the company	**290,000**	262,000
Contributions by scheme participants	**48,000**	44,000
Benefits paid	**(266,000)**	(142,000)
Administration expenses	**(37,000)**	(34,000)
Fair value of scheme assets at end of period	**7,582,000**	7,056,000

The actual return on the scheme assets over the period ended 4 August 2020 was £491,000 (*2019: £422,000*).

Notes *(continued)*

16. PENSION COMMITMENTS *(continued)*

Defined benefit scheme *(continued)*

The major assumptions used in the 2020 valuation were:

	At 4 August 2020	At 30 June 2019	At 30 June 2018
RPI Inflation	**3.0%**	3.4%	3.3%
CPI Inflation	**2.0%**	2.4%	2.3%
Salary escalation rate	**n/a**	n/a	n/a
Rate used to discount scheme liabilities	**1.3%**	2.5%	2.8%
Allowance for pension in payment increases of CPI or 5% p.a. if less	**2.0%**	2.4%	2.3%
Allowance for pension in payment increases of RPI or 2.5% p.a. if less	**2.0%**	2.2%	2.1%
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	**2.0%**	2.4%	2.3%
Allowance for revaluation of pensions of CPI or 2.5% p.a. if less	**1.8%**	2.0%	2.0%
Allowance for commutation of pension at current rates for cash at retirement	**-**	25%	25%
% of HMRC maximum for allowance for commutation of pension for cash at retirement	**90%**	-	-

Discount rate methodology change

The methodology used to derive the discount rate has been updated for the year ending 4 August 2020. At the prior year end the discount rate assumption was based on Broadstone's (the Actuary) in-house curve, which was derived from the iBoxxAA-rated sterling corporate bond yield curve and applying a spot rate at a term broadly consistent with the duration of the liabilities of the Scheme (22 years). For this year end the discount rate assumption has been derived by using the equivalent corporate bond curve and applying the Scheme's future projected cashflows to it. A single equivalent discount rate has then been calculated which would give broadly the same liability value as using the full AA corporate bond yield curve. The Proposed discount rate assumption using this approach is 1.30% p.a.

RPI Methodology change

The methodology used to derive the RPI inflation assumption has been updated for the year ending 4 August 2020. At the prior year end the RPI inflation assumption was derived using the spot rate from the Bank of England inflation curve at a term consistent with the duration of the liabilities of the Scheme, less an inflation risk premium of 0.2% p.a. For this year end the RPI inflation assumption has been derived by calculating a single equivalent inflation rate which, when applied to the Scheme's projected cashflows, would give broadly the same liability value as applying the full Bank of England inflation curve. An inflation risk premium of 0.2% p.a. has then been deducted. The proposed RPI inflation assumption using the updated methodology for this year end is 3.00% p.a.

Notes *(continued)*

16. PENSION COMMITMENTS *(continued)*

Defined benefit scheme *(continued)*

The mortality assumptions adopted at 4 August 2020 imply the following life expectancies:

Average life expectancy	**2020**		2019	
	Male	**Female**	Male	Female
Member currently aged 62	**86.4**	**88.4**	87.3	89.4
Member currently aged 47	**87.5**	**89.5**	88.6	90.9

The assets of the scheme were:

	2020	2019	2018
	£	£	£
Equities	**4,727,000**	4,086,000	4,145,000
Bond Type Return Funds	**-**	677,000	647,000
Liability Driven Investments	**2,797,000**	2,222,000	1,675,000
Cash	**58,000**	71,000	37,000
	7,582,000	7,056,000	6,504,000

None of the fair value of the assets shown above include any of the company's own financial instruments or any property occupied by, or other assets used by, the company.

The long term expected rate of return on cash is determined by reference to bank base rates at the balance sheet dates. The long term expected return on bonds is determined by reference to UK long dated government and corporate bond yields at the balance sheet date. The long term expected rate of return on equities is based on the rate of return on bonds with an allowance for out performance.

Analysis of other pension costs charged to profit and loss:

	2020	2019
	£	£
Current service cost	**131,000**	102,000
Net interest expense on net defined benefit liability	**154,000**	133,000
Administration expenses	**37,000**	34,000
Total expense recognised in profit and loss	**322,000**	269,000

Re-measurements recognised in Other Comprehensive Income (OCI):

	2020	2019
	£	£
Effect of changes in assumption losses	**2,065,000**	1,141,000
Effect of experience adjustments gain	**(317,000)**	-
Return on assets excluding interest income gain	**(299,000)**	(238,000)
Total loss recognised in other comprehensive income	**(1,449,000)**	(903,000)

Notes *(continued)*

16. PENSION COMMITMENTS *(continued)*

Defined benefit scheme *(continued)*

Reconciliation of funded position:

	2020 £	2019 £
Net defined benefit liability at start of period	**5,742,000**	4,832,000
Expense recognised in profit and loss	**322,000**	269,000
Loss recognised in OCI	**1,449,000**	903,000
Contributions by the company	**(290,000)**	(262,000)
Net defined benefit liability	**7,223,000**	5,742,000

Defined contribution scheme

The group also operates a defined contribution scheme. Total contributions to the defined contribution scheme amounted to £423,126 *(2019: £326,795)*. £5,998 (2019: £nil) of accrued pension contributions were outstanding at 4 August 2020.

17. CALLED UP SHARE CAPITAL

	2020 £	2019 £
Called up, allotted and nil paid		
72 ordinary shares of 5 pence each	-	-

18. CONTINGENT LIABILITIES

As discussed in the Strategic Report, during the period the EFL charged Derby County and Sheffield Wednesday with breaches of the Profitability & Sustainability Rules. At the date of signing these financial statements, decisions are yet to be received to determine the share of costs of both of these matters. There is the potential that in the event that the Derby County appeal or the determination on share of costs for Sheffield Wednesday are found to be unfavourable to the EFL, the EFL will have to pay legal costs to both Clubs.

Notes *(continued)*

19. FINANCIAL COMMITMENTS

Capital commitments are as follows:

The Group and Company

	2020 £	2019 £
Website Development Costs	**129,346**	22,667

Operating lease commitments

At 4 August 2020, non-cancellable operating lease rentals are payable as follows:

The Group and Company	2020 Land and buildings £	2020 Other £	2019 Land and buildings £	2019 Other £
Less than one year	**268,710**	**89,584**	268,710	29,022
Between one and five years	**626,990**	**65,821**	940,485	29,617
More than five years	**-**	**2,030**	-	-
	895,700	**157,435**	1,209,195	58,639

20. 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. During the period, the Company provided interest free loans to Member Clubs, further details on these loans can be found in notes 7, 8 and 13.

Where contracts are entered into by The Football League that relate to both on line and off line inventory the income relating to the online rights is paid to EFL Digital Limited. That amounted to £7,743,514 *(2019: £6,802,983)* for the period ended 4 August 2020. The company also receives monies from EFL Digital Limited for the use of central rights and overheads including a management recharge amounting to £944,801 *(2019: £855,738)*. At the period end an amount of £883,341 *(2019: £1,163,434)* was payable to the company by EFL Digital Limited and an amount of £609,647 *(2019: £689,155)* was payable by the company to EFL Digital Limited. At the period end the company also had a loan balance amount due with EFL Digital Limited of £1,839,372 (*2019: £2,416,877*). An interest charge of £68,207 *(2019: £85,150)* was charged to EFL Digital Limited in the period in relation to the loan.

Transactions with key management personnel

Total compensation of key management personnel (including the directors) in the period amounted to £1,543,668 *(2019: £2,342,194)*.

Notes *(continued)*

21. FINANCIAL INSTRUMENTS

The group'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.

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.

The company's transactions are sterling denominated other than those relating to the sale of overseas broadcast rights which are denominated in US dollars.

The carrying values of the Company's financial assets and liabilities are summarised by category below. These are all measured at undiscounted amounts, except for the derivative financial asset which is measured at fair value:

Financial assets	**Group**		**Company**	
	2020	2019	**2020**	2019
	£	£	**£**	£
Cash and cash equivalents	**111,974,081**	82,883,275	**110,539,421**	81,235,816
Trade debtors and other receivables	**89,920,794**	130,692,281	**90,912,252**	133,648,484
Derivative financial assets	**674,314**	376,057	**674,314**	376,057
	202,569,189	213,951,613	**202,125,987**	215,260,357

Financial liabilities	**Group**		**Company**	
	2020	2019	**2020**	2019
	£	£	**£**	£
Trade payables and other payables	**204,963,169**	217,340,901	**202,928,852**	216,190,371

The Group and Company's gains and losses in respect of financial instruments are summarised below:

Fair value gains and losses	**Group**		**Company**	
	2020	2019	**2020**	2019
	£	£	**£**	£
On financial assets measured at fair value through profit and loss account	**549,451**	(3,350,043)	**549,451**	(3,350,043)

Notes *(continued)*

22. DERIVATIVE FINANCIAL INSTRUMENTS

The Group and Company	**Due within one year**		**Due after one year**	
	2020	2019	**2020**	2019
	£	£	**£**	£
Derivatives accounted for at fair value through profit and loss account				
Forward foreign currency contracts	**674,314**	86,204	**-**	289,853
	674,314	86,204	**-**	289,853

Forward foreign currency contracts are valued using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

Forward foreign currency contracts

The following table details the forward foreign currency contracts outstanding at the period end:

The Group and Company	**Average Contractual exchange rate**		**Notional Value**		**Fair Value Assets**	
	2020	2019	**2020**	2019	**2020**	2019
Outstanding contracts			**£**	£	**£**	£
Due within one year						
US Dollars	**1.2731**	1.2765	**24,142,489**	29,246,638	**674,314**	86,204
Due after one year						
US Dollars	**-**	1.2765	**-**	20,890,456	**-**	289,853
			24,142,489	50,137,094	**674,314**	376,057

The Group and Company has entered into contracts to supply overseas broadcasters. As a consequence, the Group and Company has entered into forward foreign currency contracts to manage the risk arising from foreign currency movements on cash flows available for distribution to member clubs. The contracts are measured at fair value through the profit and loss account. A gain of £549,451 *(2019: £3,350,043 loss)* was recognised during the period.

Notes *(continued)*

23. DEFERRED TAX

Deferred tax assets and liabilities are attributable to the following:

Group	Assets		Liabilities		Net	
	2020	2019	**2020**	2019	**2020**	2019
	£	£	**£**	£	**£**	£
Deferred tax arising in relation to retirement benefit obligations	**1,372,370**	976,140	**-**	-	**1,372,370**	976,140
Unused tax losses	**276,899**	73,342	**-**	-	**276,899**	73,342
Accelerated capital allowances	**-**	-	**(82,640)**	-	**(82,640)**	-
Other	**-**	-	**(128,120)**	(63,930)	**(128,120)**	(63,930)
Tax assets / (liabilities)	**1,649,269**	1,049,482	**(210,760)**	(63,930)	**1,438,509**	985,552

Company	Assets		Liabilities		Net	
	2020	2019	**2020**	2019	**2020**	2019
	£	£	**£**	£	**£**	£
Deferred tax arising in relation to retirement benefit obligations	**1,372,370**	976,140	**-**	-	**1,372,370**	976,140
Unused tax losses	**170,590**	-	**-**	-	**170,590**	-
Accelerated capital allowances	**-**	-	**(82,640)**	-	**(82,640)**	-
Other	**-**	-	**(128,120)**	(63,930)	**(128,120)**	(63,930)
Tax assets / (liabilities)	**1,542,960**	976,140	**(210,760)**	(63,930)	**1,332,200**	912,210

Notes *(continued)*

24. EVENTS AFTER THE BALANCE SHEET DATE

Premier League Support Package

On the 3rd December 2020, the EFL and the Premier League concluded negotiations on a rescue package and distress fund to address the immediate financial challenges faced by EFL Clubs arising as a result of the Covid-19 pandemic.

A fund of £50m in the form of a grant and monitored loan payments has been provided directly to League One and Two Clubs while the Premier League agreed to provide a further financial commitment of up to £15m to assist the EFL in securing a loan facility that Championship Clubs will be able to utilise interest free. The loan facility is provided to support Clubs in the Championship to meet PAYE liabilities up to the end of 30 June 2021

Championship Loan Facility

On the 29th March 2021, the EFL agreed a new six year amortising debt facility of up to £117.5m with MetLife Investment Management, the institutional asset management business of MetLife Inc. The facility will be used for the making of loans to certain members of the Championship Division in connection with the impact of Covid-19 on such Clubs' ability to meet PAYE obligations.

The transaction was agreed with MetLife Investment Management following a competitive bidding process in which the EFL received solicited and unsolicited financing proposals from a wide range of potential private financing providers and UK banks alongside discussing loan options with the UK Government that could not be progressed due to the restrictions being imposed. The interest rate applied to the MetLife facility is SONIA plus 2.63% per annum with interest payments made every 6 months. The interest incurred under the MetLife Facility is primarily intended to be covered by the PL under the PL Support Agreement

The MetLife facility includes a number of look forward and look backward financial covenants which seek to ensure that (i) the funds the Company receives or is expected to receive in respect of Solidarity payments and interest costs and (ii) the Company's other income sufficiently cover its debt service under the MetLife Facility. The covenants are projected forwards to test compliance for the duration of the MetLife Facility. EFL has the ability to "top-up" or "cure" these financial covenants by paying in additional amounts into the relevant bank accounts and so, outside of an insolvency scenario, it is largely within Company's control to comply with these covenants.

The size of the loan facility being provided by MetLife Investment Management matches the total amount requested by Championship Clubs (capped at £8.3m per Club) and was fully drawn down on the 1st April. The majority of participating Clubs benefitting from the on-lending of these monies are expected to fully repay the loan within 3 years with a final repayment date of February 2024, however, there is flexibility in the facility to allow relegated Clubs to benefit from extended payment terms up to February 2027. The principal payments under the MetLife Facility and in turn the Participating Club loans are expected to be repaid in six monthly instalments from amounts of Solidarity Payments. the EFL receives in respect of Participating Clubs (and, in respect of relegated clubs, also EFL central payments) which will be set-off before the Solidarity payments are transferred on to the Participating Clubs.

25. ACCOUNTING ESTIMATES AND JUDGEMENTS

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 judgements (apart from those involving estimates) has had the most significant effect on amounts recognised in the financial statements.

Notes *(continued)*

25. ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Development expenditure

Development expenditure is capitalised in accordance with the accounting policy given within note 1. Initial capitalisation of costs is based on management's judgement that technical and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.

The following are the company's key sources of estimation uncertainty:

Impairment of non-financial assets

Where there are indicators of impairment of individual assets, the company performs impairment tests based on fair value less costs to sell. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset.

Taxation

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 9.

Pension Scheme

The cost of the defined benefit pension scheme is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, inflation rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of the scheme, such estimates are subject to significant uncertainty. Further details are contained in note 16.

Covid-19 – Going Concern

As outlined in the Directors Report and Basis of Preparation note, the Directors have had to exercise judgement in relation to the Group's Going Concern in the face of the Covid-19 pandemic.

As a result of the current pandemic, the Group has entered into a package with the Premier League in order to financially support EFL Clubs in addition to a debt facility with MetLife to support the majority of Championship Clubs. The Group has considered several adverse financial scenarios and these reviews have included a stress test assumption simulating the continuation of behind closed door football and the loss of the majority of Sponsorship income whilst the Group maintained its Basic Award distributions to clubs in full. In this scenario, the Group was able to maintain a positive cash position for at least a 12 month period before requiring the need to access additional funding.

As a result of the above, the Group continues to adopt the going concern basis in preparing the financial statements.

Five Period Review - Unaudited

Period ended 4 August 2020

	Period ended 4 August 2020 £	Year ended 30 June 2019 £	Year ended 30 June 2018 £	Year ended 30 June 2017 £	Year ended 30 June 2016 £
Profit and loss account					
Group turnover	**181,562,920**	153,558,399	151,925,639	127,927,355	127,791,002
Total operating (loss)/profit	**(740,109)**	(1,478,596)	2,051,005	188,082	(340,496)
Fair value movement on derivative financial instrument	**549,451**	(3,350,043)	792,236	4,251,975	-
Net interest receivable	**895,587**	910,686	502,824	233,442	506,138
Other finance expense	**(1,564,183)**	(167,000)	(166,000)	(163,000)	(137,000)
(Loss)/profit before tax	**(981,628)**	(3,786,001)	3,189,441	4,513,762	34,753
(Loss)/profit for the financial period	**(801,403)**	(2,696,227)	2,648,504	3,750,824	15,012
Balance sheet					
Intangible assets	**3,174,243**	4,319,042	4,653,539	4,105,155	787,982
Tangible fixed assets	**3,445,337**	3,667,566	3,453,704	3,629,605	2,425,616
Fixed asset investments	**501,025**	623,398	324,446	318,543	151,779
Debtors	**89,920,794**	130,692,281	109,903,273	26,441,195	19,958,663
Financial Derivative Asset	**674,314**	376,057	4,220,708	4,251,975	-
Cash at bank and in hand	**111,974,081**	82,883,275	80,734,118	43,281,060	42,361,898
Creditors: amounts falling due within one year	**(150,567,040)**	(160,301,411)	(153,702,552)	(56,790,725)	(54,574,496)
Creditors: amounts falling due after more than one year	**(54,396,129)**	(57,039,490)	(41,830,801)	(19,133,247)	(9,023,285)
Net assets excluding pension liability	**4,726,625**	5,220,718	7,756,435	6,103,561	2,088,157
Pension liability	**(7,223,000)**	(5,742,000)	(4,832,000)	(5,860,000)	(4,372,000)
Net (liabilities)/assets	**(2,496,375)**	(521,282)	2,924,435	243,561	(2,283,843)