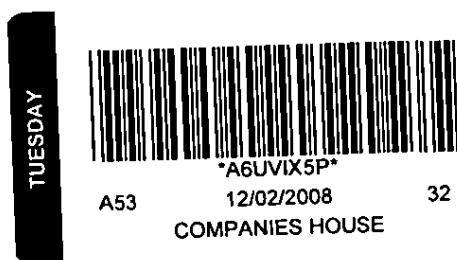


THE FOOTBALL LEAGUE LIMITED

ANNUAL REPORT ***AND FINANCIAL STATEMENTS 2006/07***



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COMPANIES HOUSE

Company No. 80612

ROLL OF HONOUR

COCA-COLA CHAMPIONSHIP

Champions	Sunderland
Runners-up	Birmingham City
Play-Off Winners	Derby County

COCA-COLA LEAGUE 1

Champions	Scunthorpe United
Runners-up	Bristol City
Play-Off Winners	Blackpool

COCA-COLA LEAGUE 2

Champions	Walsall
Runners-up	Hartlepool United
Promoted	Swindon Town
Play-Off Winners	Bristol Rovers

THE CARLING CUP

Winners	Chelsea
Runners-up	Arsenal

THE JOHNSTONE'S PAINT TROPHY

Winners	Doncaster Rovers
Runners-up	Bristol Rovers

PUMA YOUTH ALLIANCE

North & Midlands West Conference

Winners	Oldham Athletic
Runners-up	Walsall

North & Midlands East Conference

Winners	Hull City
Runners-up	Rotherham United

South West Conference

Winners	Oxford United
Runners-up	AFC Bournemouth

South East Conference

Winners	Queens Park Rangers
Runners-up	Southend United

Youth Alliance Cup

Winners	Stockport County
Runners-up	Colchester United

Operations Centre

Edward VII Quay
Navigation Way
Preston PR2 2YF

Commercial Office

30 Gloucester Place
London W1U 8FL

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CHAIRMAN'S WELCOME

Welcome to The Football League Annual Report 2006/07

In another encouraging season for The League and its clubs, there was genuine progress both on and off the playing field. With popular and vibrant competitions, a sound financial and commercial platform and a strong collective spirit between clubs, I believe League football is now in a more healthy state.

Once again, The League delivered the competitive, hard fought matches that have become the hallmark of its competitions. With just 13 points covering the top six finishers, the Coca-Cola Championship had one of the most exciting seasons in recent memory - in fact, no other major European League was as close. Leagues 1 and 2 and The Football League's showpiece cup competitions - the Carling Cup and Johnstone's Paint Trophy - were no less compelling.

This drama helped crowd figures soar, yet again. The 'regular' season total of over 16.4m supporters represented The League's best turnout for 47 years, confirming its status as Europe's best-attended sporting competition. Crowds for League matches have now risen steadily over the last two decades, from a low of less than 7.5m in 1985/86. This is testament to the work done by clubs in building strong and enduring links with their local communities, attracting new fans to their matches.

Congratulations go to our three Champion clubs - Sunderland, Scunthorpe United and Walsall on their achievements, as well as to all those clubs that won promotion. Well done too, to Chelsea and Doncaster Rovers winners of the Carling Cup and Johnstone's Paint Trophy respectively.

A radical facelift designed to raise its profile and spectator appeal helped re-invigorate the latter competition. We placed a particular emphasis on encouraging more families to attend midweek cup matches by making free tickets available to under 16's and by scrapping extra-time to avoid late finishes. These measures helped crowds, for the competition, rise by a remarkable 48% by the end of a great final at the Millennium Stadium in April.

Success in other areas was recognised at March's Football League Awards. The second staging of this event was a triumph and enabled us to recognise the wider achievements of our clubs and their fans. The Awards have now become a firm fixture in the football calendar and I very much look forward to the 2008 event in London on March 2.

On the commercial front The League continued the rapid progress achieved since its substantial re-branding in June 2004. The highlight was a new

agreement with Coca-Cola that saw the world's biggest brand extend its title sponsorship of The League for a further three seasons. The new deal was celebrated in style with the Coca-Cola Football League Play-Off Finals returning to Wembley in front of record crowds.

Coca-Cola's association with our competition is a terrific endorsement of the work done by The League and its clubs to build strong connections with football supporters throughout England and Wales. I look forward to building further on the strong foundations established during the first three years of our partnership.

Elsewhere, new agreements with Johnstone's Paint, E.ON, Virgin Media, BT Vision, Thomas Cook, Nicotinel and MRI Overseas property underlined the growing strength of The Football League in the commercial marketplace.

There was also an extra financial boost for clubs courtesy of a 'Solidarity' payment agreed with the Premier League. This new source of funding for clubs should be worth around £90m over the next three seasons. I offer my gratitude to the Premier League for this generous gesture designed to help reduce the substantial financial gap between their competition and ours.

A significant element of this funding has been ring-fenced for club Community and Youth Development programmes. This money will be managed by a newly-formed Football League Trust which, under the guidance of General Manager Dave Edmundson, will provide a new focus for these two vital areas of our work.

The ambition to broaden the relationship between our clubs and their local communities remains at the very heart of The League's operation, as is the desire to get the next generation of football supporters watching live football at their local League club. In its second year, The League's 'Fans of the Future' initiative gave more than 300,000 youngsters the opportunity to see live football without having to pay.

'Fans of the Future' represents a substantial commitment by clubs to the future of League football. This future has been brightened further by the historic £264m broadcasting agreement with Sky Sports and BBC Sport announced recently. This new deal represents a 135% increase on existing arrangements and will take League football into an exciting new era when it begins in August 2009.

Thank you for taking the time to read this report and for your interest in The Football League. I hope you are encouraged by what you read.

Lord Mawhinney
Chairman - The Football League

COMPETITIONS

COCA-COLA CHAMPIONSHIP

From plumbing the depths to scaling the heights, Sunderland turned around a potentially disastrous campaign to make an immediate return to the top flight

When Roy Keane was handed his first managerial appointment by the Black Cats four matches into the 2006/07 season, the former Manchester United and Republic of Ireland midfielder took over a team that was pointless and rock bottom of the table

But Keane, always a winner as a player, instilled into his side a winning mentality that took them steadily up the table and ultimately to the Championship title itself

In the final few weeks of the campaign Sunderland were vying with Birmingham City and Derby County for the top spot, Blues eventually settling happily for the second automatic promotion place while Derby finished third and so had to contest the Play-Offs along with West Bromwich Albion, Wolves and Southampton

The Rams saw off the Saints while West Brom overcame their Black Country rivals to set up a Wembley final which Albion controlled for long periods but which Derby – who 12 months earlier had escaped relegation by only one place – won 1-0 with a well-worked goal by Stephen Pearson

At the other end of the table Leeds United, five years after finishing fifth in the Premiership, surprisingly took the wooden spoon. Above them Luton Town and Southend United, the latter after just one season in the Championship, were also relegated

COCA-COLA LEAGUE 1

The 2006/07 League 1 campaign belonged to Scunthorpe United, who like Sunderland in the Championship started slowly but never looked back after kick-starting their campaign in mid-September

Even a change of management, Nigel Adkins replacing Brian Laws after the latter left for Sheffield Wednesday in November, failed to halt the Iron's progress and they ended the season as champions by six points from second-placed Bristol City

It meant that for the first time in 43 years Scunthorpe were set to taste Championship level football, while City were back after a comparatively short eight years

Nottingham Forest had started the season as promotion favourites but missed out in the Play-Off semi-final to Yeovil Town, who at Wembley met Blackpool after the Seaside had beaten Oldham Athletic in their semi

Blackpool had climbed to third in the table with a tremendous run of seven straight victories and they took that run into double figures with their two semi-final wins against the Latics and a 2-0 Wembley triumph over Yeovil

The battle at the bottom went to the wire but finally Chesterfield and Bradford City had to face the drop along with bottom two Rotherham United and Brentford

COCA-COLA LEAGUE 2

Remarkably in League 2, the four clubs who were relegated to the division ended the 2006/07 campaign in the top four places. Walsall, who had been League 1's bottom club in the previous season, pipped Hartlepool United for the title with Swindon Town taking the third automatic promotion spot.

MK Dons finished fourth but, unlike the clubs who finished above them, they were unable to make the leap back to League 1 as they lost out to Shrewsbury Town in the Play-Off semi-final.

The Shrews then lost the final to Bristol Rovers, who after beating Lincoln City in their semi stretched their unbeaten run to 10 matches with a 3-1 Wembley success that made up for their Johnstone's Paint Trophy final defeat at the Millennium Stadium.

At the wrong end of the table Torquay United were stranded at the bottom from Christmas right to the bitter end, when Boston United joined them in relegation after the Pilgrims had lost out to Macclesfield Town in the battle for survival.

THE CARLING CUP

Chelsea came from behind to beat Arsenal 2-1 in a scintillating Carling Cup final which despite three late sendings off proved a fitting finale to the competition's run of seven finals at the Millennium Stadium before returning to Wembley in 2008.

The clash of two of the country's top teams was, surprisingly perhaps, the first final in the League Cup's 47-year history between London clubs. Less surprisingly, and in the great tradition of Cup football, there was any number of shocks along the way as big clubs were humbled from the early stages.

In Round One, for instance, no fewer than nine Championship clubs were knocked out by League 2 opposition. Notts County, who won 2-1 at Crystal Palace, did even better in Round Two as they went to Middlesbrough and beat the Premiership outfit 1-0.

Two other Premiership clubs perished in the second round to lower league opponents, Manchester City losing 2-1 at League 1 Chesterfield and Fulham going down 2-1 at home to League 2 Wycombe Wanderers.

Chesterfield continued their heroics against Premiership teams in the following two rounds, first beating West Ham 2-1 then in Round Four drawing 3-3 with Charlton Athletic before the Addicks won on penalties.

The biggest shock of the fourth round was the 1-0 defeat of holders Manchester United by Championship strugglers Southend United. But there was an even bigger shock in store for the quarter-finals, where Wycombe won 1-0 at Charlton to set themselves up with a dream semi-final against Chelsea.

Over two legs the Premiership side understandably proved too strong for the Chairboys, winning 5-1 on aggregate, while Arsenal – who had blitzed Liverpool 6-3 in their quarter-final at Anfield – beat north London rivals Tottenham Hotspur 5-3 over two legs.

Came the final and the Gunners, fielding a young and largely inexperienced team, started brilliantly and deservedly led through a Theo Walcott goal at half time. But Chelsea's greater experience told after the break, Didier Drogba equalising then hitting a late winner to take the Cup to west London.

THE JOHNSTONE'S PAINT TROPHY

With new sponsors in Johnstone's Paint and a new format aimed at raising its profile and crowd appeal, The Football League Trophy enjoyed its most successful season to date and was capped with an excellent final at the Millennium Stadium

In the competition's 24th final and last to be played in Cardiff before returning to Wembley, Doncaster Rovers – in their first ever major Cup final – beat Bristol Rovers 3-2 with an extra time winner in front of a loudly cheering crowd of 59,024

The attendance was much bigger but the fans were no more passionate than they had been in many matches along the way in a season where crowd figures were up by over 40 per cent thanks in no small part to initiatives such as making free tickets available to Under-16's, clubs committing to field full strength teams, having earlier kick-off times and scrapping extra time in all matches before the final

The streamlined format attracted more youngsters and families to attend games, and spectators were rewarded with some fine matches throughout the competition

The two clubs who reached the final did so quite contrastingly, League 1 Doncaster hitting the net 15 times en route to the Millennium Stadium while their League 2 opponents got there without conceding a single goal

The two-leg Area finals which each club contested were typical of their respective routes to Cardiff

In a roller-coaster Northern Section affair against Crewe, Doncaster drew 3-3 at Gresty Road then came from behind to win 3-2 at home thanks to a last minute goal. Meanwhile in a local derby that saw both grounds packed to the rafters, Bristol Rovers battled to a goalless draw at Bristol City then won 1-0 at home

When it came to the final, then, something had to give as free-scoring Donny came up against the meanest defence in the competition. And it was the Pirates who gave, Donny racing ahead with two goals in the first five minutes

Bristol gradually pulled themselves around, however, and they drew level with two strikes in the opening 17 minutes of the second period. A thrilling encounter then went into extra time and it was Doncaster captain Graeme Lee who lifted the Trophy after Lee himself had scored the decisive goal 10 minutes from the final whistle

COMMUNITY AND YOUTH DEVELOPMENT

From their position at the heart of the professional game, Football League clubs continued their extensive commitment to their local communities throughout the 2006/07 season

Be it Wolverhampton Wanderers' 'Dusk, Twilight and Midnight League' reducing criminal behaviour amongst young men, Rotherham United's anti-bullying initiative helping to discourage anti-social behaviour in local schools or Scunthorpe United's healthy lifestyle programme encouraging youngsters to eat better and exercise more, League clubs, once again, made a valuable contribution to towns and cities throughout England and Wales by using football's appeal as a vehicle to promote a full range of positive social messages

As ever, The League was on hand to provide advice and assistance to its clubs' community programmes. This included The League's second annual Community Conference in June at Leicester City's Walkers Stadium. As with 2006's inaugural event, it proved an excellent opportunity for club staff to exchange ideas, share best practice and help The League further develop its Community strategy

A strategy which includes The Football League Community Cup, which also built on the progress made in 2005/06. The competition's second season saw more than 20,000 children take part in six-a-side competitions for school teams of under-11's and under-13's girls. The return to Wembley for May's Play-Off Finals enabled school sides representing Crystal Palace, Hull City, Brentford, Chesterfield, Milton Keynes Dons and Stockport County to tread the hallowed turf of the new National Stadium, providing an experience that few of the youngsters involved will forget

As in previous seasons League clubs threw their collective weight behind the Kick it Out 'week of action'. In line with the 'One Game One Community' theme of this year's week of action, League clubs celebrated the contribution made to the game by all communities, of all races, cultures and religious beliefs

Additionally, the work done by The League and its clubs in tackling issues of racial equality was welcomed by the Commission for Racial

Equality at a House of Commons reception in February. This work includes the setting up of an Internal Diversity Group, to guide and monitor policy, the implementation of new recruitment procedures, the introduction of diversity training for League staff, the formation of a group of advocate clubs, to lead on diversity issues and spread good practice and the commissioning of research into the barriers that inhibit match attendance by ethnic minorities

March's Football League Awards provided the opportunity to reward excellence and best practice in club community work. Brighton & Hove Albion were honoured as The League's Community Club of the Year for a multi-faceted programme that includes innovative health, education and disability initiatives

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The Best Community Initiative award went to Norwich City, for the 'Ability Counts' programme, through which the Canaries have created new opportunities for people of all abilities to play football. It has also seen the club improve the matchday experience for disabled supporters

Season 2006/07 was another important year for the elite arm of The League's Community effort, its Youth Development programme. League clubs, once again, made a significant contribution to identifying, training and educating the young footballers of the future

In total, more than 8,000 talented young footballers between the ages of 8 and 18 are registered with Football League clubs and are being trained by 1,100 qualified coaches

SUPPORTERS

The 2006/07 season saw crowds for Coca-Cola Football League matches maintain the upward curve enjoyed over the last two decades. More than 16.4m fans watched matches during the regular season, the highest number for 47 years, whilst in the Championship alone, attendances topped 10m for the first time in more than half a century.

Not wanting to rest on their laurels, League clubs maintained their focus on getting the next generation of football supporters into their grounds. Across The League, clubs renewed their commitment to the 'Fans of the Future' initiative which aims to get young fans watching live football at their local League club. As a result, more than 300,000 youngsters watching live League football, for free or at significantly discounted rates, during 2006/07.

Looking ahead, this season will see 'Fans of the Future' supported by E.ON and extended even further with youngsters being offered free entry at the majority of League clubs with most applying this offer to all home matches. The League has also augmented 'Fans of the Future' with the launch of the 'Football League Family Charter Mark'. This new kite-mark will be presented to clubs that expand their supporter base by delivering consistently excellent experiences for families and young supporters at their grounds.

In developing its new family quality standard, The Football League commissioned an independent assessment of the family experience at 15 League clubs during the 2006/07 season. The success of these 'Mystery Fan' exercises has led to similar visits being commissioned at all 72 League clubs during 2007/08.

These assessments will form part of the criteria used to determine whether clubs qualify for the Charter Mark. Clubs will also be assessed on whether their pricing policies are in line with the spirit of 'Fans of the Future', along with evidence that child protection and safety practices have been implemented.

Additionally, to recognise the best family experience in each division, there will also be a new 'Family Club of the Year' award at this season's Football League Awards (to be held in March 2008) for each division of The Football League.

The introduction of the 'Mystery Fan' programme in 2006/07 saw The League meet one of the three promises it had made to supporters the previous season. The other two were also kept.

First, The League met its commitment to explore ways of introducing smoking restrictions at stadiums across The League - in order to create a healthier environment for fans. In January, The

League announced a new 'smoke free' policy, to take effect at all matches from the beginning of the 2007/08 season. This decision was in line with the view expressed by fans in The Football Supporters' Survey 2006 which saw almost 80% of participating fans favour some form of 'smoke free' policy at matches, with half of all fans wanting an outright ban.

Secondly, The League committed itself to implementing new Agents' Regulations, which, among other things, prohibited the practice of agents representing more than one party in a particular transaction. These regulations were introduced prior to the beginning of the 2006/07 season.

Additionally, 2006/07 also saw The League extend its programme of regional Customer Service seminars. The previous five annual regional meetings being expanded to four regional seminars held twice a season. These meetings gave The League and its clubs the opportunity to share ideas and further develop Customer Service strategies across The League.

COMMERCIAL

New sponsorship agreements for two of The Football League's three main competitions were the highlight of another successful twelve months on the commercial front

The world's biggest brand, Coca-Cola, renewed its commitment to The League through a three year title-sponsorship extension. The new agreement takes The League's partnership with Coca-Cola through to the end of the 2009/10 season.

For Coca-Cola, the deal represented the company's biggest ever domestic football commitment and created new opportunities to build on its innovative award-winning promotions, such as 'Win a Player', 'Club Colours' and 2006/07's 'Buy a Player'.

The League's relationship with Coca-Cola will also continue to incorporate the promotion of two other Coca-Cola brands - Powerade, the Official Sports Drink of The Football League and Coca-Cola Zero, the Official Soft Drink.

The Football League logo has now appeared on more than 500 million packs of Coca-Cola and Powerade and recently a new recycling initiative allowing fans to collect rewards for themselves and their clubs' Youth Development programmes in exchange for old cans and bottles.

The new contract extension was toasted with the return of the Coca-Cola Football League Play-Off Finals to the new Wembley Stadium. This year's matches attracting record crowds of 195,895. The Football League's knock out trophy for League 1 and 2 clubs was given a fresh makeover when Johnstone's Paint signed a three-year sponsorship deal in May 2006. The competition also benefitted from a raft of new initiatives designed to raise the profile and appeal of the competition, the result being a 48 per cent increase in attendances come the season's end.

The new measures included reorganising the opening rounds into four regional sections so that there was a higher frequency of local derbies to boost crowds. Also, free tickets were made available by clubs to under-16's accompanied by a paying adult.

The matches themselves saw clubs make a renewed commitment to fielding first-team strength sides and extra time was scrapped with matches going straight to penalty shoot-outs. All these measures succeeded in increasing the numbers attending Johnstone's Paint Trophy matches and in attracting higher levels of younger supporters.

As part of The Football League's new Partner Programme, E.ON became the Official Energy Partner in a three year deal to 2010. The deal

secured E.ON, owners of Powergen, a set of commercial rights at clubs across The League plus an opportunity to work closely with them to promote environmental awareness. The agreement will also see E.ON support The League's 'Fans of the Future' initiative.

On the broadcasting front The League secured groundbreaking new partnerships with Virgin Media and BT Vision that will see League matches available, for the first time, via the former's broadband internet platform and the latter's video-on-demand service.

Elsewhere, Thomas Cook renewed their Official Travel Partnership for a further three years, providing clubs further revenue earning and money saving opportunities such as club branded travel schemes for fans and Football League Travel Cards.

Nicotinell became the Official Nicotine Replacement Therapy of The Football League in a two year deal that started as the smoking ban came into effect in the UK. The six figure sponsorship package placed Nicotinell products in Club shops and gave fans the chance to win up to £30,000 for their Club and prizes for themselves, by going smoke free.

The growing strength of The Football League brand was also reflected in a number of other commercial deals struck in 2007. MRI Overseas Property signed a two year agreement to sponsor The League's Chairmen's Conference, while significant progress in licensing saw EA Sports, Panini football stickers and ProgrammeMaster all contracted as suppliers or partners.

FL Interactive, the wholly-owned subsidiary of The Football League that manages a range of digital rights on behalf of The League and 79 professional football clubs, completed a comprehensive overhaul of its official club products during 2006/07. The changes have created a great many new opportunities for FLi's participating clubs to promote their activities and drive income.

The most substantial challenge has been the development and delivery of the next generation of official club websites, which ensures that four million football supporters will enjoy a newly enhanced experience.

The websites feature a re-designed horizontal layout offering a streamlined presentation of news and club content, as well as improved navigation and a comprehensive offering of free video, including daily football news and goal clips, plus substantial enhancements to subscription video services.

In addition, FLi is currently rolling out a new generation of official mobile internet websites, which ensure that supporters can access accurate and authoritative content while on the move.

The new services provide a powerful platform for commercial partners, combining new high impact formats, a variety of integrated opportunities plus the launch of video advertising. Consequently, FLi also completed a number of new agreements in key sectors that will improve performance over the next few seasons.

THE FOOTBALL LEAGUE AWARDS

The second Football League Awards, incorporating FourFourTwo's Top 50 Football League players took place at the Grosvenor Hotel, Park Lane on Sunday 4th March 2007

Expertly hosted, once again, by Sky Sports' Jeff Stelling, the evening proved another celebration of life in The League. A total of 19 awards were presented ranging from awards for leading players and apprentices to recognition of best practice in Commercial activity and outstanding Community work.

A sell-out audience of more than 900 people also saw the presentation of a special award to 1974 World Cup Final referee, Jack Taylor, in recognition of his lifetime contribution to The Football League

With two successful events now completed The Football League Awards has become a firm fixture in the football calendar. The 2008 event will take place at the London Hilton, Park Lane on March 2

FOOTBALL AWARDS

FourFourTwo Player of the Year
Coca-Cola Championship
Jason Koumas, West Bromwich Albion

FourFourTwo Player of the Year
Coca-Cola League 1
Billy Sharp, Scunthorpe United

FourFourTwo Player of the Year
Coca-Cola League 2
Izale McLeod, Milton Keynes Dons

FourFourTwo Young Player of the Year
Coca-Cola Football League
Gareth Bale, Southampton

Wickes Young Apprentice Award
Coca-Cola Championship
Chris Gunter, Cardiff City

Apprentice Award – Coca-Cola League 1
sponsored by Nivea for Men Weekend Wonders
Joe Skarz, Huddersfield Town

Apprentice Award – Coca-Cola League 2
sponsored by Nivea for Men Weekend Wonders
Joe Thompson, Rochdale

Goal of the Year – sponsored by Mitre
Joe Ledley, Cardiff City
(Barnsley v Cardiff City, 5th August 2006)

INDUSTRY AWARDS

Contribution to League Football
sponsored by SBJ Sports
Jack Taylor

Fan of the Year – sponsored by FIFA '07
Stan McGowen, Bury

Community Club of the Year – sponsored by Wickes
Brighton & Hove Albion

Best Community Initiative
sponsored by The Football Foundation
Norwich City

Best Club Sponsorship – sponsored by Carling
Brentford

Best Club Marketing Campaign
sponsored by CSI Sports
Norwich City

Best Matchday Programme – sponsored by PA Sport
Colchester United

Best Use of New Media – sponsored by Football Manager
Cardiff City

Best Kit Design
sponsored by Nivea for Men Weekend Wonders
Burnley

Best Away Ground – sponsored by Thomas Cook
Sport and run in conjunction with BBC Radio Five Live
Sunderland – Stadium of Light

Good Sport Award – sponsored by Wash and Go
Chris Doig, Northampton Town

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Lord Mawhinney

M A Arthur

I L Beeks

N A Doncaster

L Rogers

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T J Robinson

D R Sheepshanks

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T S Detko

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AUDITOR

KPMG LLP

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Edward VII Quay

Navigation Way

Preston

PR2 2YF

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2007

PRINCIPAL ACTIVITIES

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

BUSINESS REVIEW

Attendances for League matches were more than 16 4m in season 2006/07, a rise of 1 6% over the previous season. The League's two showpiece cup competitions also prospered with a 2 6% increase taking Carling Cup attendances above 1 1m with Johnstone's Paint Trophy attendances rising by 48% following a successful re-launch of that competition.

2006/07 marked the first year of the League's latest 3-year broadcast agreements with BSkyb, ITV and CSI Sports.

FINANCIAL REVIEW

Profit and Loss Account

Group turnover for the year at £63,882,795 was £10,654,727 higher than in 2006 representing a 20% year on year increase of which the new broadcasting contracts that commenced in 2006/07 accounted for £9,590,100 of this increase.

Overall the group's total costs including payments made to member clubs increased by £10,323,098 to £64,095,655 in 2007. Distributions by The Football League to its member clubs have increased from £33,337,350 in 2006 to £44,813,555 in 2007 representing a 34% increase (ie an actual increase of £11,476,205). Other operating charges reduced by £2,189,412 to £13,835,926 in 2007 mainly reflecting the legal costs of the negligence action in 2006 of £2,209,906.

Balance Sheet

Group assets at 30 June 2007 amounted to £409,171 compared to £369,085 at 30 June 2006 with the increase due to the retained profit of £380,851 offset by an actuarial loss of £340,765 arising on the company's defined benefit pension scheme. This actuarial loss has arisen as a result of changes in the actuarial assumptions and actual experience differing from the previously made actuarial assumptions. Further information in relation to the company's defined benefit pension scheme can be found in note 16 of these financial statements.

Cash Flow

The group generated a cash inflow in the year of £7,699,952 (2006 outflow of £5,796,528). After net interest earnings of £603,584 and capital expenditure of £81,920 the group's cash balances increased by £8,221,616 to £15,605,370 at 30 June 2007.

DIRECTORS AND THEIR INTERESTS

The current directors of the company are listed on page 12. The directors who served during the year are listed below. The directors held no beneficial or family interests in the shares of the company in either the current or prior financial year.

M A Arthur
I L Beeks
N A Doncaster
Lord Mawhinney
K Oyston (resigned 8 June 2007)
A F Pearson (resigned 1 August 2007)
I R Ritchie
L Rogers (appointed 29 June 2007)
D R Sheepshanks

T J Robinson was appointed to the board on 31 August 2007.

CHARITABLE DONATIONS

During the year the company made charitable donations amounting to £106,500, of which £70,000 was generated from the proceeds of the Carling Cup Final and would ordinarily have been distributed in accordance with the rules of that competition (2006 nil). There were no political contributions.

DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

In accordance with Section 384 of the Companies Act 1985 a resolution to reappoint KPMG LLP as the Company's auditor will be proposed at the forthcoming Extraordinary General Meeting.

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

T S Detko
T S Detko, Secretary
15 November 2007

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards

The group and parent company financial statements are required by law to give a true and fair view of the state of affairs of the group and the parent company and of the profit or loss for that period

In preparing these financial statements, the directors are required to

- *select suitable accounting policies and then apply them consistently,*
- *make judgments and estimates that are reasonable and prudent,*
- *state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,*
- *prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business*

The directors are responsible for keeping proper accounting records that 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 1985. They 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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE FOOTBALL LEAGUE LIMITED

We have audited the group and parent company financial statements (the "financial statements") of The Football League Limited for the year ended 30 June 2007 which comprise the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement, the Consolidated Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 14.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 30 June 2007 and of the group's profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG LLP

KPMG LLP

15 November 2007

Chartered Accountants

Registered Auditor

CONSOLIDATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 JUNE 2007

	Note	2007 £	2006 As restated £
Group and joint venture's turnover		66,253,373	55,600,926
Less share of joint venture's turnover		(2,370,578)	(2,372,858)
Group turnover	3	63,882,795	53,228,068
Other operating income		92,296	82,866
External charges		(47,719,481)	(35,389,707)
Staff costs	4	(2,540,248)	(2,357,512)
Other operating charges		(13,835,926)	(16,025,338)
Group operating loss	6	(120,564)	(461,623)
Share of net operating loss in joint venture and associate		(56,075)	(36,431)
Total operating loss		(176,639)	(498,054)
Net interest receivable and similar income			
- Group	7	539,961	442,827
- Joint venture and associate		58,743	40,478
Other finance income	8	47,000	40,000
Profit on ordinary activities before taxation		469,065	25,251
Tax on profit on ordinary activities	9	(88,214)	(24,130)
Profit for the financial year	18	380,851	1,121

All the above results derive from continuing operations

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 30 JUNE 2007

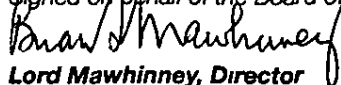
	2007 £	2006 £
Profit for the financial year	380,851	1,121
Actuarial (loss)/gain relating to the company pension scheme	(422,000)	31,000
Deferred tax thereon	81,235	(5,890)
Total recognised gains and losses relating to the year	40,086	26,231

CONSOLIDATED BALANCE SHEET**30 JUNE 2007**

	Note	2007 £	2007 £	2006 £	2006 £
Fixed Assets					
Intangible assets	10		(351,415)		(386,557)
Tangible assets	11		163,593		154,323
Joint venture undertaking					
– Share of gross assets	12	1,677,029		1,634,217	
– Share of gross liabilities	12	(1,671,788)		(1,629,982)	
			5,241		4,235
Investments in associated undertaking	12		36,487		34,825
			(146,094)		(193,174)
Current Assets					
Debtors	13	9,475,542		16,031,513	
Cash at bank and in hand		15,605,370		7,383,754	
		25,080,912		23,415,267	
Creditors					
Amounts falling due within one year	14	(21,385,647)		(17,180,108)	
Net Current Assets			3,695,265		6,235,159
Total Assets Less Current Liabilities			3,549,171		6,041,985
Creditors					
Amounts falling due after more than one year	15	(2,800,000)		(5,600,000)	
Net Assets					
excluding pension liability			749,171		441,985
Pension liability	16	(340,000)		(72,900)	
			409,171		369,085
Capital and Reserves					
Called up share capital	17		-		-
Profit and loss account	18		409,171		369,085
Equity Shareholders' Funds	19		409,171		369,085

These financial statements were approved by the Board of Directors on 15 November 2007

Signed on behalf of the Board of Directors



Lord Mawhinney, Director

COMPANY BALANCE SHEET

30 JUNE 2007

	Note	2007 £	2007 £	2006 £	2006 £
Fixed Assets					
Tangible assets	11		163,593		154,323
Investments	12		650		650
			164,243		154,973
Current assets					
Debtors	13	8,607,991		15,528,118	
Cash at bank and in hand		14,583,544		6,484,856	
		23,191,535		22,012,974	
Creditors					
Amounts falling due within one year	14	(20,111,888)		(16,350,951)	
Net current assets			3,079,647		5,662,023
Total assets less current liabilities			3,243,890		5,816,996
Creditors					
Amounts falling due after more than one year	15	(2,800,000)		(5,600,000)	
Net assets excluding pension liability			443,890		216,996
Pension liability	16	(340,000)		(72,900)	
Net assets			103,890		144,096
Capital and reserves					
Called up share capital	17		-		-
Profit and loss account	18		103,890		144,096
Equity shareholders' funds			103,890		144,096

These financial statements were approved by the Board of Directors on 15 November 2007

Signed on behalf of the Board of Directors


Lord Mawhinney, Director

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 30 JUNE 2007

	Note	2007 £	2006 £
Net cash inflow / (outflow) from operating activities	20	7,699,952	(5,796,528)
Returns on investments and servicing of finance	21	603,584	432,627
Taxation		-	-
Capital expenditure and financial investment	21	(81,920)	(43,279)
Cash inflow / (outflow) before use of liquid resources and financing		8,221,616	(5,407,180)
Financing		-	-
Increase / (decrease) in cash in the year		8,221,616	(5,407,180)
Reconciliation of net cash flow to movement in net funds		2007 £	2006 £
Increase / (decrease) in cash in the year		8,221,616	(5,407,180)
Cash at bank and in hand			
At 1 July 2006		7,383,754	12,790,934
At 30 June 2007		15,605,370	7,383,754

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2007

1 ACCOUNTING POLICIES

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

Basis of preparation

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

Basis of consolidation

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

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

Intangible assets – goodwill

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

Depreciation and tangible fixed assets

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

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

Associated and joint venture undertakings

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

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2007

1 ACCOUNTING POLICIES (CONTINUED)

Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of income and expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised, without discounting, to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding contract to dispose of these assets.

Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes and includes sponsorship revenues and revenues received from television broadcasting contracts but excludes gate levy income received from clubs which is offset against external charges. Turnover recognised in the year ended 30 June 2006 by FL Interactive Limited, a company wholly owned by The Football League Limited, has been restated to take into account revenue generated by certain of its participating clubs and amounts distributed to those clubs as part of those clubs' Central Deal receipts. The effect of this prior year adjustment is to increase both revenues and other operating charges by £1,522,000. The impact on the group operating loss for the year ended 30 June 2006 was therefore £nil.

Barter transactions

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

Pension costs

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

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

Leases

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

2 CONSOLIDATED FINANCIAL STATEMENTS

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit (see note 18) for the financial year amounted to £300,559 (2006 £1,977).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2007

3 TURNOVER

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

The amount of barter transactions for goods and other services recognised in turnover is £602,846 (2006: £438,000).

4 STAFF COSTS

	2007 £	2006 £
Staff costs during the year (including directors)		
Wages and salaries	2,069,665	1,946,442
Social security costs	226,031	216,269
Other pension costs (note 16)	244,552	194,801
	2,540,248	2,357,512

The average monthly number of employees was 53 (2006: 52).

5 DIRECTORS' REMUNERATION

	2007 £	2006 £
The total amounts for directors' remuneration and other benefits were as follows		
Salaries and fees	107,500	76,772

6 OPERATING LOSS

	2007 £	2006 £
Operating loss is stated after charging/(crediting)		
Auditors' remuneration		
– Audit fees – Group	28,800	28,800
– Audit fees – Company	24,000	24,000
– Corporation tax compliance	4,000	4,550
Depreciation of tangible fixed assets	72,650	86,949
Operating leases		
– Equipment	35,122	41,246
– Other assets	161,620	152,370
Legal costs of negligence action (£2,209,906 was included in other operating charges and £800,000 was included in external charges)	-	3,009,906
Amortisation of goodwill	(35,142)	(35,142)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2007

7 NET INTEREST RECEIVABLE AND SIMILAR INCOME

	2007 £	2006 £
Interest receivable	560,883	454,908
Interest payable on ground improvement levies held	(20,922)	(12,081)
	539,961	442,827

8 OTHER FINANCE INCOME

	2007 £	2006 £
Expected return on pension scheme assets	237,000	202,000
Interest on pension scheme liabilities	(190,000)	(162,000)
	47,000	40,000

9 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2007 £	2006 £
Corporation tax charge	74,879	-
Tax on share of profits of joint venture and associate	-	-
	74,879	-
Deferred tax		
Current year	16,747	24,130
Due to change in tax rate	(3,412)	-
	88,214	24,130

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

	2007 £	2006 £
Profit on ordinary activities before tax	469,065	25,251
Tax on profit on ordinary activities at small companies' rate of 19.25% (2006: 19%)	90,295	4,798
Effects of		
Expenses not deductible for tax purposes	5,472	4,578
Difference between depreciation and capital allowances	1,944	16,520
Group relief	-	(1,928)
Adjustment in respect of pension contributions	(16,747)	(24,130)
Losses carried forward	-	12,014
Other	(6,085)	(11,852)
	74,879	-

10 INTANGIBLE FIXED ASSETS

The Group	Internet and media rights £	Goodwill £	Total £
Cost			
At 1 July 2006 and 30 June 2007	1	(456,842)	(456,841)
Amortisation			
At 1 July 2006	-	70,284	70,284
Negative goodwill written back	-	35,142	35,142
At 30 June 2007	-	105,426	105,426
Net book value			
At 30 June 2007	1	(351,416)	(351,415)
At 30 June 2006	1	(386,558)	(386,557)

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

11 TANGIBLE FIXED ASSETS

The Group and Company	Improvements to short leasehold premises £	Equipment £	Total £
Cost or valuation			
At 1 July 2006	115,276	510,756	626,032
Additions	-	81,920	81,920
At 30 June 2007	115,276	592,676	707,952
Accumulated depreciation			
At 1 July 2006	58,002	413,707	471,709
Charge for the year	11,528	61,122	72,650
At 30 June 2007	69,530	474,829	544,359
Net book value			
At 30 June 2007	45,746	117,847	163,593
At 30 June 2006	57,274	97,049	154,323

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2007

12 FIXED ASSET INVESTMENTS

The Group	Joint venture undertaking £	Associate undertaking £	Total £
Cost and net book value			
At 1 July 2006	4,235	34,825	39,060
Share of profits	1,006	1,662	2,668
At 30 June 2007	5,241	36,487	41,728

The Company	Shares in subsidiaries £
Cost and net book value	
At 1 July 2006 and 30 June 2007	650

The company wholly owns the following subsidiary undertakings, both of which are registered in England and Wales and incorporated in Great Britain

Subsidiary undertakings	Activity
FL Interactive Limited	Provision of internet websites
World-Wide Soccer Limited	Dormant

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 was formed on 3 May 2001 and established to develop and maximise profits from the two Leagues data, archive and licensable material rights whilst becoming the source of official data.

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

£2,066,312 was payable by Football DataCo Limited to the company in the year. At the year end £116,312 was outstanding.

Associate undertaking

The investment in associate undertaking represents a one third holding in Professional Game Match Officials Limited, a venture between The Football League Limited, The Football Association Limited and The Football Association Premier League Limited. The 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.

£1,848,208 was payable by the company to Professional Game Match Officials Limited. At the year end £66,378 was outstanding.

12 FIXED ASSET INVESTMENTS

Football DataCo Limited and Professional Game Match Officials Limited both have a 31 July year-end and the following financial information, which is in respect of the company's share of their results and incorporated within these financial statements, is derived from unaudited management accounts for the year to 30 June 2007

	Football DataCo Limited		Professional Game Match Officials Limited	
	2007	2006	2007	2006
	£	£	£	£
Company share of results				
Turnover	2,370,578	2,372,858	1,871,235	1,769,132
Operating loss	(40,567)	(29,555)	(15,508)	(6,876)
Interest receivable and similar income	41,572	30,591	17,171	9,887
Profit before taxation	1,005	1,036	1,663	3,011
Taxation	-	-	-	-
Profit after taxation	1,005	1,036	1,663	3,011
Company share of:				
Fixed assets	-	-	31,657	-
Current assets	1,677,029	1,634,217	1,531,072	654,751
Current liabilities – due within one year	(1,671,788)	(1,629,982)	(1,526,242)	(619,926)
Share of net assets	5,241	4,235	36,487	34,825

13 DEBTORS

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Amounts falling due within one year				
Trade debtors	2,488,668	4,433,982	2,092,183	4,040,909
Club loans	2,155,500	3,261,250	2,155,500	3,261,250
Other debtors	79,614	131,580	79,614	131,580
Prepayments and accrued income	2,749,961	3,151,887	2,175,553	2,713,711
VAT receivable	23,567	-	-	-
Amounts owed by subsidiary undertakings	-	-	126,909	327,854
Amounts owed by joint venture undertaking	116,312	858,734	116,312	858,734
	7,613,622	11,837,433	6,746,071	11,334,038
Amounts falling due after more than one year				
Club loans	1,861,920	4,194,080	1,861,920	4,194,080
	9,475,542	16,031,513	8,607,991	15,528,118

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2007

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2007 £	2006 £	Company 2007 £	2006 £
Trade creditors	4,955,670	3,528,818	4,182,159	2,940,681
Ground improvement levies held	484,469	332,580	484,469	332,580
Other creditors	6,128,802	4,306,821	6,001,581	4,103,380
Accruals and deferred income	7,911,433	8,483,485	7,456,098	8,120,112
Other taxation and social security	73,805	70,050	66,522	54,054
VAT payable	1,711,589	413,354	1,711,589	406,170
Corporation tax	119,879	45,000	109,470	45,000
Amounts due to subsidiary undertaking		-	100,000	348,974
	21,385,647	17,180,108	20,111,888	16,350,951

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

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2007 £	2006 £	Company 2007 £	2006 £
Accruals and deferred income	2,800,000	5,600,000	2,800,000	5,600,000

16 PENSION LIABILITY

The company operates a pension scheme providing benefits based on final pensionable salaries. The assets of the scheme are held in a separate trustee administered fund. An indicative valuation was carried out at 1 August 2006 whilst the last full actuarial valuation was carried out at 1 August 2004. These have been updated for FRS 17 purposes for the periods to 30 June 2007 and 30 June 2006 by a qualified independent actuary.

The actuarial valuation showed that the market value of the scheme's assets at 1 August 2004 was £2,493,000 and that the actuarial value of those assets represented 90% of the benefits that had accrued to members after allowing for expected future increases in earnings. The contribution rate recommended by the actuary in order to eliminate this deficit over the average future working lifetime of members was 23.4% (17.9% for employers and 5.5% for employees effective from 1 August 2005).

The major assumptions used in the 2007 valuation were

	At 30 June 2007	At 30 June 2006	At 30 June 2005
Salary escalation rate	4.00%	3.5%	3.25%
Rate of increase in pensions in payment and deferred pensions	3.00%	2.5%	2.25%
Rate used to discount scheme liabilities	5.75%	5.5%	5.25%
Inflation assumption	3.00%	2.5%	2.25%

16 PENSION LIABILITY (CONTINUED)

Mortality assumptions used in assessing future benefit obligations make allowances for future improvements in longevity and have been determined by reference to applicable mortality statistics and the actuary's expectations. The average life expectancies assumed in the FRS17 valuations are set out below

Average life expectancy (at 30 June)	2007		2006		2005	
	Male (years)	Female (years)	Male (years)	Female (years)	Male (years)	Female (years)
Member currently aged 60	85.2	88.1	83.5	86.5	83.5	86.5
Member currently aged 45	84.9	87.8	83.0	86.0	83.0	86.0

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

	2007 £	2006 £	2005 £
Equities	2,460,000	-	-
Bonds	854,000	-	-
Property	539,000	-	-
Market value of with profit deposit administration policy	-	3,226,000	2,753,000
	3,853,000	3,226,000	2,753,000
Present value of scheme liabilities	(4,278,000)	(3,316,000)	(3,001,000)
Net pension liability before deferred tax	(425,000)	(90,000)	(248,000)
Deferred tax at 20% (2006 and 2005 19%)	85,000	17,100	47,120
Net pension liability	(340,000)	(72,900)	(200,880)

The long term expected rate of return expected at 30 June 2007 is equities 7% per annum, bonds 5.5% and property 6.5%. At 30 June 2006 and 30 June 2005 the long term expected rate of return expected on the with profit deposit administration policy was 7% per annum

Movement in (deficit) / surplus during the year

	2007 £	2006 £	2005 £
(Deficit) / surplus in the scheme at 1 July	(90,000)	(248,000)	180,000
Current service costs	(221,000)	(171,000)	(173,000)
Contributions	261,000	258,000	208,000
Other finance income	47,000	40,000	34,000
Actuarial (loss) / gain	(422,000)	31,000	(497,000)
Deficit in scheme at 30 June	(425,000)	(90,000)	(248,000)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2007

16 PENSION LIABILITY (CONTINUED)

	2007 £	2006 £
Analysis of the other pension costs charged to operating profit		
Current service cost and total operating charge	221,000	171,000

	2007 £	2006 £
Analysis of the amount recognised in statement of total recognised gains and losses (STRGL)		
Actual return less expected return on pension scheme assets	61,000	8,000
Experience gains and losses arising on the scheme liabilities	(155,000)	-
Changes in assumptions underlying the present value of the scheme liabilities	(328,000)	23,000
Actuarial (loss) / gain recognised in STRGL	(422,000)	31,000

	2007 £	2006 £	2005 £
History of experience gains and losses			
Difference between the expected and actual return on scheme assets			
Amount	61,000	8,000	(167,000)
Percentage of scheme assets	2%	0%	6%
Experience gains and losses on scheme liabilities			
Amount	155,000	-	(330,000)
Percentage of present value of scheme liabilities	4%	0%	11%
Total actuarial gain recognised in statement of total recognised gains and losses			
Amount	422,000	31,000	(497,000)
Percentage of present value of scheme liabilities	10%	1%	17%

17 CALLED UP SHARE CAPITAL

	2007 £	2006 £
Called up, allotted and nil paid		
72 ordinary shares of 5p each	-	-
Authorised 100 ordinary shares of 5p each	5	5

18 PROFIT AND LOSS ACCOUNT

	Group £	Company £
At 1 July 2006	369,085	144,096
Profit for the financial year	380,851	300,559
	<u>749,936</u>	<u>444,655</u>
Actuanal loss recognised	(422,000)	(422,000)
Deferred tax arising on actuanal loss	81,235	81,235
At 30 June 2007	<u>409,171</u>	<u>103,890</u>

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
The Group		
Opening shareholders' funds	369,085	342,854
Profit for the financial year	380,851	1,121
Actuanal (losses)/gains on company pension scheme	(340,765)	25,110
Closing shareholders' funds	<u>409,171</u>	<u>369,085</u>

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

	2007 £	2006 £
Group operating loss	(120,564)	(461,623)
Depreciation	72,650	86,949
Goodwill amortisation	(35,142)	(35,142)
Increase/(decrease) in debtors	6,555,971	(9,226,702)
Increase in creditors and deferred income	1,227,037	3,839,990
Net cash inflow / (outflow) from operating activities	<u>7,699,952</u>	<u>(5,796,528)</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2007

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

	2007 £	2006 £
Returns on investments and servicing of finance		
Interest receivable and other similar income	624,006	454,908
Interest paid	(20,422)	(22,281)
Net cash inflow from returns on investments and servicing of finance	603,584	432,627
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	81,920	43,279
Receipts from sale of tangible fixed assets	-	-
Net cash outflow from capital expenditure and financial investment	81,920	43,279

22 FINANCIAL COMMITMENTS

Capital commitments

There were no capital commitments contracted for but not provided for at 30 June 2007 (2006 £nil)

Operating lease commitments

At 30 June 2007, the Group was committed to making the following payments during the next year in respect of operating leases

Group and company	2007 Land and buildings £	2007 Other £	2006 Land and buildings £	2006 Other £
Leases which expire				
Within one year	53,000	-	53,000	7,533
In between one and five years	47,520	34,284	47,520	18,572
In more than five years	61,100	-	61,100	-
	161,620	34,284	161,620	26,105

23 RELATED PARTY TRANSACTIONS

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

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

FIVE YEAR REVIEW

YEAR ENDED 30 JUNE 2007

	2007 £	2006 £	2005 £	2004 £	2003 £
Profit and loss account					
Group turnover	63,882,795	53,228,068	55,958,824	54,839,578	50,893,997
Group operating loss	(120,564)	(461,623)	(585,993)	(255,890)	(161,241)
Net interest receivable	539,961	442,827	325,034	256,101	204,579
Profit / (loss) before tax	469,065	25,251	(221,488)	50,211	113,338
Retained profit / (loss)	380,851	1,121	(211,154)	68,817	92,438
Balance sheet					
Intangible assets	(351,415)	(386,557)	(421,699)	-	-
Tangible fixed assets	163,593	154,323	197,993	234,873	281,525
Fixed asset investments	41,728	39,060	35,013	650	650
Debtors	9,475,542	16,031,513	6,804,811	4,691,082	4,034,809
Current asset investments	-	-	-	-	2,000,000
Cash at bank and in hand	15,605,370	7,383,754	12,790,934	4,966,449	7,687,510
Creditors amounts falling due within one year	(21,385,647)	(17,180,108)	(18,863,318)	(9,576,579)	(13,692,035)
Creditors amounts falling due after more than one year	(2,800,000)	(5,600,000)	-	-	-
Pension (liability) / asset	(340,000)	(72,900)	(200,880)	145,800	170,100
Net assets	409,171	369,085	342,854	462,275	482,559

The figures for 2003 and 2004 reflect the financial statements of the company

FL Interactive Limited became a wholly owned subsidiary undertaking on 16 June 2004 and the figures for 2005 onwards reflect the consolidated financial statements of the company

The company adopted Financial Reporting Standard 17 (FRS 17) "Retirement Benefits" in the year ended 30 June 2006 at which time the previous year's figures were restated. The 2003 and 2004 figures reported above have been restated to reflect the position that would have been disclosed had the company adopted FRS 17 at 1 July 2002