



The Football Association Limited

REPORT AND FINANCIAL STATEMENTS

31 December 2009



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Officers and Professional Advisers

Directors

Lord Triesman (Chairman)

A Horne

B W Bright

R F Burden

M Game

P A Gartside

D Gill

D J Henson

A Kleanthous

Sir Dave Richards

D Sheepshanks

E J Ward

Secretary

A Maclean

Registered office

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Bankers

Barclays Bank Plc

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Solicitors

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Charles Russell LLP

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Mayer Brown

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Independent Auditors

Deloitte LLP

Chartered Accountants and Statutory Auditors

London

Chairman's Statement

Chairman's Statement



"The England 2018/2022 World Cup bid gathered momentum and 2010 will see a compelling case for England presented to FIFA"

The Football Association Group can look back on 2009 as a year in which tough financial challenges had to be addressed, yet also a year to celebrate many notable achievements.

The England team, under the excellent stewardship of manager Fabio Capello, reached the 2010 FIFA World Cup in South Africa following an outstanding qualifying campaign. The Under-21s and Under-19s both reached the finals of their European Championships in Sweden and Ukraine respectively, as did Hope Powell's senior women's team in UEFA Euro 2009 hosted by Finland. The women's Under-19s went one better than the rest and won their tournament in Belarus and I congratulate them, and all England teams, for their exceptional achievements.

The England 2018/2022 World Cup bid gathered momentum and 2010 will see a compelling case for England presented to FIFA. I have been encouraged by the response of the FIFA Executive Committee Members I have met on the campaign trail. There is a long way to go but the Bid team is well prepared as we enter the final year of the process.

After moving from Soho Square in August, The FA has settled well into Wembley Stadium and it feels right that the governing body of the game in England should be based at football's most iconic venue. In 2009, Wembley had a bumper year of events hosting 38 major event days and welcoming 2.5 million people through the turnstiles. Wembley was the home of football's showcase matches including England's home FIFA World Cup 2010 Qualifiers, the FA Cup Final and Semi Finals, the League Cup Final, the Play Offs and FA Community Shield. It also attracted some of the biggest names in the music world hosting sell-out concerts including U2, Take That, Coldplay and Oasis as well as welcoming its third consecutive regular season NFL game, Rugby League's Challenge Cup Final, a number of rugby union games and the inaugural Wembley Cup. The Stadium continued to make improvements financially against a challenging backdrop.

Football has not been immune from the widespread ramifications of the global slowdown. The FA has had to face up to losing one of its main sources of income following broadcast partner Setanta Sports going into administration. We have successfully negotiated a new broadcast deal with ESPN for the FA Cup, England U21s and the forthcoming Women's Super League. However, the financial climate in which the new deal was struck had changed fundamentally from the time of the Setanta deal. A thorough and diligent budgetary review has taken place to make the necessary savings to our cost base whilst leaving the frontline of distributions to football untouched. This work will ensure that we have a sustainable business moving forward.

Our distributions to the game continue to make a massive difference at all levels. We have seen extremely encouraging first year figures for our National Game Strategy. The report shows we are making huge strides against our objectives and, though there is still a lot of work ahead, we must be confident about our efforts so far. The highlights include more than a million children having participated in The FA Tesco Skills Programme aimed at raising the technical standards amongst the 5-11 year old age group. We have seen 62% of clubs achieve The FA Charter Standard kitemark. Huge strides have been made in recruiting referees – evidence that our Respect programme is having a positive effect. A priority in season one was also to support and grow participation at all levels of the game and the focus on Mini-Soccer has quickly delivered results with over 4,212 new teams being formed. We need our young players playing football in all forms and this is a really positive start to build on.

Alongside this, The FA is making serious commitments to build and develop the long-term future of the game. We have selected the clubs who will launch the Women's Super League which will kick off in 2011. Building on the success of Hope Powell's England team, this will take the women's game in England to a new level. We have also

"Our distributions to the game continue to make a massive difference at all levels"

unveiled an exciting new vision and design for the National Football Centre (NFC) at Burton-upon-Trent – now renamed 'St George's Park'. This will provide an inspirational centre for The FA to deliver its coach education agenda and a learning and development centre for refereeing, administration, medical and sports science disciplines. It will also be the training home for the England Senior team and 21 other squads supported by The FA.

As we look ahead to an exciting World Cup year in 2010, I would like to reiterate my gratitude to my fellow Board members and all the staff at The FA Group. Together we will consolidate our financial position and focus on ensuring that we continue to deliver success and progress for the whole of football.

Lord Triesman
Chairman, The Football Association



Director's Report

Directors' Report

The directors present their annual report and the consolidated financial statements for The Football Association Limited and its subsidiaries (the "Group") for the year ended 31 December 2009.

Principal activities

The principal activity of The Football Association Limited ("the Company" or "The FA") is to promote the game of Association Football ("the game"). The principal activity of Wembley National Stadium Limited ("WNSL") is to organise sporting and other entertainment events at Wembley Stadium ("the Stadium" or "Wembley"). The principal activity of the National Football Centre Limited ("the NFC") will be to promote the game through the development and operation of football-related facilities. The principal activity of FA Learning Limited ("FAL") is to promote the game through the organisation and delivery of educational activities, principally in the fields of coaching, refereeing, medical and exercise science and child protection. The principal activity of England 2018/2022 Bidding Nation Limited ("England 2018/2022") is to bid to host the World Cup in England in 2018 or 2022.

Business review

Review of business and future developments

In 2009 the Group increased the level of turnover by £52m (20%), increased its level of investment into the game by £16m (18%), while reducing the loss after tax by £9m (75%) and finishing the year in a significantly positive cash position (£65m).

However, during the year, the Group faced some significant financial challenges linked to the global economic downturn.

Firstly, at the end of 2008, The FA provided a £31.5m loan to WNSL as part of the Stadium refinancing, thereby reducing annual debt servicing costs. The loan was intended to be provided, as a short term

bridging measure, until an additional source of financing could be found. However, since the date of refinancing, conditions in the credit market have been such that it has not proved possible for The FA to syndicate this loan.

Secondly, in early 2009, The FA experienced a significant reduction in its forecast revenues as one overseas broadcast partner (Gateway) went into liquidation, followed later in the year by one of its domestic broadcast partners (Setanta) entering administration.

Finally, since August 2009, the date The FA moved to its new home in Wembley, it has not been possible to find a replacement tenant to occupy The FA's former head office in Soho Square, due to the difficult conditions in London's commercial property market.

In response to this series of events, The FA has worked to secure its key revenue streams and make cost savings. In terms of domestic broadcasting, rights previously held by Setanta have been sold to ITV through an expanded agreement for the 2009/10 season and to ESPN, over the longer term, to 2014. Overseas broadcasting rights previously held by Gateway have been sold to Supersport. New sponsorship contracts have also been agreed with Umbro, Carlsberg, McDonald's and Mars for the period starting after the World Cup.

A wide ranging expenditure review was conducted across the Group in 2009. While all areas of the business have made savings, the emphasis has been on maintaining the level of front-line investment and distributions into football. The Group restructure and move to Wembley has delivered operational efficiencies and cost savings, especially in the Group service functions. Staff costs have been reduced alongside other planned savings totalling approximately 10% of discretionary expenditure. The funding plan for the NFC has been re-examined and additional external funding is being sought to

"WNSL has enjoyed a strong financial performance this year, with operating profit increasing by £3.7m (63%), largely driven by an increase in revenue"

allow the project to progress on an affordable basis. FA Cup prize money was reduced in 2009/10 and certain payments to the Football Foundation have been deferred for 12 months.

The combination of reinstating revenue contracts and reducing expenditure has stabilised The FA's business plan in the medium term. Uncertainties in terms of the future level of income still exist in the short and medium term. However, based on new domestic broadcasting contracts and a reduced cost base, The FA has a firm basis to implement its financial strategy: to improve the percentage of turnover that is invested back into the game and to build cash reserves over the medium term. The cash reserve will insulate the Group from future potential financial shock, by providing a fund to draw down on in "hard times", while being replenished in more favourable financial conditions. This reserve will allow investment programmes to be delivered in a planned and reliable fashion.

Wembley Stadium

WNSL has enjoyed a strong financial performance this year, with operating profit increasing by £3.7m (63%), largely driven by an increase in revenue.

Club Wembley consists of 4,900 private members who licence the premium seats and boxes in the Stadium. This is a key revenue stream accounting for 21% of Group turnover. A total of 91% of all premium seats were contracted by 31 December 2009 (2008: 87%) and revenue has increased by £4m (6%).

"In 2009 the Group increased the level of turnover by 20%"

The level of income generated by events has increased by £6m (46%), driven by a range of top-class music and sporting events. The Stadium hosted over 2.5 million fans across a variety of sport, music and other entertainment, with 38 events delivered in conjunction with 15 different event owners. A total of 26 sporting events were held, including The FA Cup Final and FA Cup Semi Finals, 6 England Internationals, the 5 Football League and Football Conference play-off matches, the third regular season NFL game and Wembley's first Premiership rugby union event.

On the non-sporting front, Wembley had its best year since opening with 12 concert nights from acts such as AC/DC, Take That, Oasis, U2 and Coldplay. Over 870,000 fans revelled in the atmosphere, witnessing one of the largest stage sets in history with U2's 360 Tour and one of the greatest shows ever seen at Wembley with Take That's Circus finale.

The Stadium has now re-established itself as a legitimate stage for some of the World's biggest events, having hosted nearly 100 events to over 6 million fans. The calendar is developing and the Stadium will host a further 30 confirmed events in 2010, with planning already well developed to welcome UEFA's Champion's League Final in May 2011 and Olympic Football in 2012. Wembley is looking forward to playing its part in making both the Rugby League World Cup (2013) and Rugby Union World Cup (2015) a success, as well as supporting The FA's bid to host FIFA's World Cup in 2018.

England 2018 / 2022

The FA is committed to making a successful bid to host the 2018 or 2022 FIFA World Cup. The FA has set up a subsidiary company, England 2018/2022 Bidding Nation Ltd, to prepare and campaign for a bid on its behalf. During 2009, England 2018/2022 officially launched its bid and has begun to present its case to the members of the FIFA Executive Committee who will make the decision.

A detailed Host City selection process was conducted through 2009, culminating in the selection of 12 Host Cities and 17 stadiums to underpin the bid. The Government has signed the 8 Government Guarantees necessary to ensure a compliant bid. Changes have been made to the Board of England 2018/2022 to ensure a more streamlined focus on the bidding requirements.

The aim of England 2018/2022 is to produce a technical bid which exceeds FIFA's expectations, and to create a compelling message based around the idea of a World Cup for the World. The message is "England United, the World Invited".

The Bid Book is to be presented to FIFA on 14 May 2010, which will be followed by an Inspection Visit at the end of August 2010. The final presentations and the decision are due on 2 December 2010.

National Football Centre

Significant work has been achieved by the new board in 2009 in bringing to life the NFC.

The site for the NFC in Burton-on-Trent will be renamed 'St George's Park' to reflect the feeling of national pride which will accompany this site.

It is intended that St George's Park will provide an inspirational centre for The FA to deliver its coach education agenda and a learning and development centre for refereeing, administration, medical and sports science disciplines. It will also be the training home for the England Senior team and 21 other squads supported by The FA.

Currently work is underway to secure planning permission with the revised application submitted in February 2010. The directors are working hard to finalise the necessary funding streams to take the project forward. A preferred hotel operator has been identified and the directors are conducting a market tender for partners to support our health and sport science agendas. Final support for this development will be sought from The FA Board in autumn 2010.

FA Learning

Work has continued to ensure the growth of the profitable activity in this business. Greater focus is being placed on the development of football coaches and coaching as a recognised profession. Partnerships with UK universities are being developed to this end.

Group financial review

The Board considers that the key financial performance indicators for the Group are turnover, investment into the game and cash.

Turnover

The Group's turnover in 2009 increased by £52m, to £314m (2008: £262m), primarily due to an increase in broadcasting revenue (£31m).

Analysis of Group turnover

	2009	2008	Change	
	£m	£m	£m	%
Broadcasting	133	102	31	30%
Sponsorship and licensing	50	47	3	6%
Gate receipts	22	19	3	16%
Grants	7	5	2	40%
Other income	13	10	3	30%
Wembley Stadium:				
Club Wembley	66	62	4	6%
Events	19	13	6	46%
Other income	4	4	-	0%
Total	314	262	52	20%

The Group's main source of revenue is from the sale of broadcasting rights, including The FA Cup and England matches and the increase (£31m) is driven by contractual changes as 2009 is the first full calendar year under the current domestic and international broadcasting contract cycles.

The exceptional credit of £17m relating to Setanta and Gateway entering into administration and liquidation respectively during the year is not included in Group turnover but is disclosed in other operating income in the consolidated profit and loss account.

Sponsorship and licensing revenue was mainly earned under fixed-term contracts and increased by £3m (6%).

The level of gate receipts also increased by £3m (16%), reflecting the strong attendances seen

through England's World Cup qualifying campaign and the latter stages of The FA Cup held at Wembley Stadium. Ticket prices were held at 2008 levels.

Revenue generated by the Stadium increased by £10m, to £89m in 2009 (2008: £79m). Club Wembley revenue increased by £4m (6%), despite challenging economic circumstances and reflects the increase in the proportion of premium seats contracted by 31 December 2009 (91% in 2009 compared to 87% in 2008).

Event income shown in the table above excludes £13m (2008: £11m) of income earned from The FA. The income earned from outside the Group increased by £6m (46%) to £19m in the year (2008: £13m), due to an increase in the number of non FA events hosted at the Stadium (25 events in 2009 compared to 16 in 2008).

Expenditure

The Group's cost base has increased by £63m, to £308m (2008: £245m), due predominantly to an exceptional one-off expense relating to integration (£17m), an increase in investment into the game (£16m), an increase in staging events at Wembley (£9m) and an increase in the World Cup bid funding (£7m).

Analysis of Group expenditure

£m	2009			2008			Change	
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total	£m	%
Investment into the game	32	71	103	25	62	87	16	18%
Club England	17	13	30	16	11	27	3	11%
Governance and development	5	6	11	4	5	9	2	22%
Commercial and marketing	22	2	24	18	2	20	4	20%
Business and administration	-	24	24	-	19	19	5	26%
England 2018/2022	-	8	8	-	1	1	7	700%
Wembley Stadium	33	58	91	24	58	82	9	11%
Exceptional restructuring costs	-	17	17	-	-	-	17	100%
Total	109	199	308	87	158	245	63	26%

The FA invested £103m into all levels of the game in 2009, an increase of £16m compared to prior year (2008: £87m). The expenditure relating to The FA Cup is included in cost of sales and increased by £7m, to £32m (2008: £25m). Other distributions included in operating expenses increased by £9m and an analysis of these are provided in the section below.

Club England includes the running cost of England's 24 teams including women's, youth and disability sides. Total expenditure increased by £3m, to £30m (2008: £27m), due to the higher costs of the men's senior team World Cup 2010 qualification campaign.

Governance includes areas such as disciplinary, compliance, refereeing, agents, financial matters and doping control while development of the game encompasses all ages, backgrounds and abilities in terms of participation and quality. Much of The FA's development expenditure is channelled through the National and Professional Game but certain centralised activities, including The FA Skills Coaches, is shown here and this investment increased by £2m in the year.

Commercial and marketing includes the costs to support two of the Group's key revenue streams,

being broadcast and sponsorship. Total expenditure increased by £4m, to £24m (2008: £20m), due to the amounts paid to obtain broadcasting rights.

Business and administration includes costs relating to The FA Council, the executive office, facilities, finance, HR, IT, and legal. Total expenditure increased by £5m to £24m (2008: £19m) due to foreign currency exchange rate losses (£6m) arising as a result of US dollar hedging contracts, partially offset by other cost savings (£1m).

The expenditure relating to the World Cup bid increased by £7m as the bid team became fully operational.

Wembley Stadium costs increased by £9m, to £91m (2008: £82m), due to the increase in the number of events.

A significant one-off expense of £17m relates to Group integration and relocation of The FA to Wembley Stadium. The expense includes the potential loss, over the full term of the lease, on The FA's former head office in Soho Square. This cost reflects the difference in The FA's contractual costs compared to an estimate of rent it might receive from potential tenants.

Investment into the game

Total investment into the game increased by £16m due to increases in The FA Cup prize fund and television payments to competing clubs (£7m), funding for County FAs (£5m) and funding for the Football League's youth development programme (£2m).

Investment into the game

£m	2009				2008		Change	
	National Game	Professional Game	Other	Total	Total	£m	%	
Football Foundation	15	-	-	15	15	-	0%	
County FAs	15	-	3	18	13	5	38%	
Football League	-	11	0	11	9	2	22%	
Professional Footballers' Association	-	2	0	2	2	-	0%	
Other investments	11	5	9	25	23	2	9%	
Sub-total	41	18	12	71	62	9	15%	
The FA Cup	5	27	-	32	25	7	28%	
Total	46	45	12	103	87	16	18%	

The FA's investment into the game is divided approximately equally across the Professional Game (the Premier League and the Football League) and the National Game (the term used to describe the rest of the game).

In 2009, a total of £45m was distributed to the Professional Game through The FA Cup prize fund (£27m), direct grants to the Football League (£11m), funding for the Professional Footballers' Association (£2m) and other investments into the game (£5m), which includes The FA Cup Pool and funding for the Professional Game Match Officials Limited.

A total of £46m was distributed through the National Game into grass roots football, including the Football Foundation (£15m), County FAs (£15m), The FA Cup (£5m) and other investments in the game (£11m), which includes expenditure in relation to the National Game Strategy.

An additional sum of £12m (2008: £12m) was invested into projects that span the whole game including The FA's Respect programme, medical and exercise science, safeguarding children, disability, women's football, talent identification and UEFA licensing.

Net result

The Group's operating profit decreased by £11m, to £6m (2008: £17m), for the reasons explained in the sections above.

The Group's interest and financing charges fell by £14m, to £26m (2008: £40m). These charges relate to bank loans raised by WNSL to finance construction of the Stadium, based on a fixed interest rate of 6.9%. The reduction predominantly reflects the £10m of bank signing fees, relating to the original financing in 2002, which was written-off in 2008 at the time of the re-financing and a reduction of interest payable (£3m) due to repayments being made on the bank loan.

Other operating income increased by £12m to £20m (2008: £8m) due to the exceptional credit of £17m in relation to Setanta and Gateway, partially offset by a reduction in interest receivable of £5m to £3m (2008: £8m) due to a reduction in the level of cash held and lower interest rates in 2009.

The Group incurred a tax charge of £3m in the year (2008: £3m credit). This comprises a £3m (2008: nil) current tax charge due to increased taxable profits and a reduction in capital allowances that are available on expenditure related to Wembley Stadium. There is no deferred tax charge in the year (2008: £3m credit).

The impact of the above resulted in a loss after taxation of £3m (2008: loss after tax of £12m).

Directors' Report

Balance sheet and cash flow

The Group's net assets decreased by £9m, to £54m at the end of the year (2008: £63m), due to the loss after tax of £3m and the actuarial loss on the Group's defined benefit pension scheme (the "Scheme") of £6m.

A full actuarial valuation and an FRS 17 valuation for the Scheme was carried out by a qualified actuary on 31 December 2008 and 31 December 2009 respectively. During the year, the deficit in the Scheme increased by 350% to £9m (2008: £2m). The increase in the deficit was due to a change in the assumptions (the discount rate reduced from 6.2% to 5.6% and the rate of inflation increased from 2.9% to 3.6%) both of which increased the liability by £13m. This is partially offset by £4m improved investment performance over the year. Full information regarding the Scheme and the underlying assumptions used to calculate the financial position can be found in Note 1(e) and Note 20 of these financial statements.

In terms of other key balance sheet movements, tangible fixed assets (£669m), which primarily comprise the investment in Wembley Stadium, decreased due to the normal depreciation charge (£29m) in the year. Additions largely relate to the new offices built at the Stadium in 2009.

Total debtors increased by £22m to £47m at year end (2008: £25m) mainly due to an increase in trade debtors. This increase relates to a change in the broadcasting rights payment profile, which resulted in certain cash items being received post year end rather than pre year end.

Creditors due within one year decreased by £42m to £204m (2008: £246m), largely due to the release of deferred income relating to advanced receipts from broadcast partners and Club Wembley advance payments that are released over the contract term.

The value of creditors due after more than one year has decreased by £41m to £496m (2008: £537m). WNSL's bank loan has decreased by £17m and will continue to decline as the loan falls due and repayments are made. All settlement payments for the construction of the Stadium are due in 2010, eliminating all accruals falling due after more than one year. Finally, deferred income on Club Wembley licences has reduced by £9m in line with the progression of the contract term.

"The Group's net assets decreased by £9m, to £54m at the end of the year"

In 2009 there was a net cash outflow from operating activities of £16m (2008: inflow £99m), with the year on year change being mainly due to the change in profile of contractual broadcasting receipts. During the year the Group's net interest payments were £21m (2008: £24m) and the Group received £60m (2008: outflow of £10m) from treasury deposits maturing during the year. In addition, the Group incurred capital expenditure of £14m (2008: £42m) and bank interest paid of £17m (2008: £9m including signing fees of £4m). This resulted in a decrease in cash in the year of £8m (2008: increase of £15m).

Principal risks, uncertainties and going concern

There are a number of potential risks and uncertainties which could have a significant impact on the Group's long term performance. The Group's management team actively review existing risks and identify new risks on a quarterly basis. Suitable controls are put in place and action plans are established to mitigate risks. These risks and uncertainties and the related controls and plans are monitored by Group Audit Committee (see below) on a regular basis and reported to the Board.

One of the most significant uncertainties for The FA is the future value of its main source of revenues, being broadcasting rights and sponsorship rights, typically re-negotiated every four years. Broadcasting and sponsorship revenues account for 58% (£183m) of the Group's turnover in 2009. Not only is there a credit risk regarding partners failing to honour their contracts, but the risk of a step change in revenue between each contract cycle is high given changes in the broadcast media markets. There are several actions taken to mitigate these risks:

- the sponsorship programme does not run concurrently with the broadcasting rights contract cycle
- revenue is diversified across a number of domestic and international broadcasters and new markets are explored
- negotiations are concluded at least one year in advance of the contract start date
- payment terms are negotiated so that cash is received in advance of rights issued
- due diligence performed on all potential partners

Club Wembley revenue represents 21% of the Group's turnover in 2009. Club Wembley box and premium seats have been contracted for an average of 8 and 10 years respectively. While the principal

risk in the long term is renewal of the membership contracts, the short term risk exists that members do not pay their annual fee.

The Group is carrying a significant level of borrowing in relation to the financing of the Stadium and it is the Group's policy to eliminate, as far as possible, all the interest rate risk. As part of the refinancing in 2008, WNSL fixed 100% of its interest rate liabilities. WNSL also benefits from a high level of cash reserves, including a debt service reserve account of £17m, which is sufficient to cover approximately 9 months of interest.

The financing arrangements for WNSL (see note 16) include certain cash flow covenants and these are forecast to be achieved, provided WNSL meets its budget. Although there is limited headroom, a significant reduction in annual renewals or a significant delay in the payment of the new season fees from Club Wembley licence holders could put WNSL in default of its banking covenants. Wembley Stadium is a key asset to the Group and The FA's commitment to provide financial support to WNSL mitigates this risk.

The Group's activities also expose it to foreign currency risk which is mitigated by the use of financial derivatives. The use of financial derivatives is governed by the Group's policies approved by the Board of directors, which provide written principles on the use of financial derivatives to manage these risks. The Group does not use financial instruments for speculative purposes.

In addition to the specific factors described above, the overall mitigating factor for the Group is the significant level of discretionary expenditure in The FA's cost base. A significant element of The FA's expenditure is investment into the game and can be reduced without breaching legal commitments.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

Charitable donations

The Group made charitable donations of £ 8.7m (2008: £23.6m) during the year. The donations paid can be summarised into the following headings:

	2009	2008
	£m	£m
The Football Foundation	4.2	20.2
Donations to football charities	4.1	2.5
Donations generated from the Community Shield	0.4	0.8
Other donations	--	0.1
Total charitable donations	8.7	23.6

The decrease in The FA's charitable donations shown in the table above is due to the timing of payments to the Football Foundation.

Equal Opportunities

The FA actively promotes equal opportunities in employment, and welcomes applications from all parts of the community. We are committed to treating all applicants and employees in the same way regardless of race, religion or religious belief, gender, sexual orientation, disability or age.

Disabled employees

Applications for employment of disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Employee consultation

The Group places considerable value on the involvement of 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 achieved through formal and informal meetings and a staff intranet.

Corporate governance

The Board

The Board comprises 12 voting members, being the Chairman, the Acting Chief Executive, five members from the National Game and five members from the Professional Game. The Board meets on a monthly basis to review the performance of the Group and to determine long-term objectives and strategies. The Board is supplied with management accounts and other relevant information.

The Chairman is appointed by the Council on a three-year cycle and the Chief Executive is appointed by the Board. The National and Professional Game members are elected by shareholders in the Company and each is subject to re-election at least every three years.

There is a clear division of responsibility between the roles of Chairman and Chief Executive. The Board is empowered to appoint sub-committees, incorporating independent membership, as it considers appropriate.

Group Audit Committee

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness at least annually. Such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

On 1 June 2009, The FA Board established a Group Audit Committee (the "GAC") with a mandate to provide independent oversight on the following matters across The FA Group:

- Governance, including risk management and internal control;
- External audit arrangements;
- Internal audit arrangements; and
- The appropriateness of financial reporting.

The GAC's remit includes all operations and activities undertaken by The FA Group, covering the consolidated Group and the individual entities: The FA; WNSL; the NFC; England 2018/2022; and FAL.

The GAC comprises an independent chairman, R Gossage, alongside D A Bernstein (Chairman of WNSL), P A Gartside (Board director) and an independent non-Board member, A Newell. The

GAC meets approximately six times per year, with one meeting dedicated to reviewing and approving the financial statements of the Group.

The GAC reviews reports from management, internal audit and external audit on the Group's system of internal control and risk management, specifically those that support the integrity of the financial statements. The GAC also reviews, and where necessary challenges, the judgements of management in relation to the integrity of the financial statements. The GAC formally reports to The FA Board on a quarterly basis.

Group Remuneration Committee

The Group Remuneration Committee is chaired by P A Gartside, a Board director, alongside R F Burden, E J Ward (both Board directors) and D A Bernstein (Chairman of WNSL) who replaced N Doncaster in September 2009. The Group Remuneration Committee is responsible for advising the Board on the pay and terms and conditions of the Chief Executive and members of senior management. In discharging its duties, the Group Remuneration Committee takes independent advice where appropriate.

Directors' Report

Directors and their interests

The persons listed below served as directors of the Company throughout the year, except as noted. Each of the directors held a non-beneficial ownership of one share in the Company.

Lord Triesman

Chairman

I Watmore

Chief Executive. Resigned 31 March 2010

A Horne

Acting Chief Executive. Appointed 31 March 2010

B W Bright

FA Vice Chairman, Kent County FA

R F Burden

Gloucester County FA

N Doncaster

The Football League, Norwich City FC

Resigned 3 July 2009

M Game

Essex County FA

P A Gartside

The Premier League, Bolton Wanderers FC

D Gill

The Premier League, Manchester United FC

D J Henson

Devon County FA

A Kleanthous

The Football League, Barnet FC. Appointed 19

August 2009

Sir Dave Richards

FA Vice Chairman, The Premier League

D Sheepshanks

The Football League, Ipswich Town FC

E J Ward

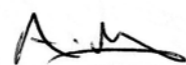
Hampshire County FA

Each of the directors at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the 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.

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

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



A Maclean
Company secretary
23 April 2010

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 Company and Group and of the profit or loss of the Company and Group 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



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Independent auditors' report to the members of
The Football Association Limited

Independent auditors' report to the members of The Football Association Limited

We have audited the Group and Parent Company financial statements of The Football Association Limited for the year ended 31 December 2009 which comprise the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the consolidated and Company balance sheets, the consolidated cash flow statement and the related notes 1 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Company's affairs as at 31 December 2009 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

M. R. Lee-Amies

Mark Lee-Amies (Senior Statutory Auditor)

for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
2010

Consolidated profit and loss account year ended 31 December 2009

	Notes	2009 £'000	2008 £'000
Turnover	2	313,563	261,819
Cost of sales		(109,028)	(86,947)
Gross profit		204,535	174,872
Operating expenses (includes £16.7m in 2009 due to exceptional integration and relocation costs)	3	(198,750)	(158,225)
Operating profit	6	5,785	16,647
Interest payable and similar charges (including £10.9m in 2008 due to exceptional accelerated amortisation of issue costs)	7	(26,157)	(39,602)
Other operating income (includes £16.6m in 2009 due to a credit on terminated contracts)	8	19,847	7,626
Loss on ordinary activities before taxation		(525)	(15,329)
Taxation (charge)/credit on ordinary activities	9	(2,553)	3,088
Loss on ordinary activities after taxation for the financial year	22	(3,078)	(12,241)

All the above results are derived from continuing operations.

Consolidated profit and loss account year ended 31 December 2009

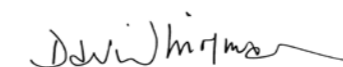
	Note	2009 £'000	2008 £'000
Loss for the financial year	22	(3,078)	(12,241)
Actuarial (loss)/gain on defined benefit scheme and related deferred tax movement in accordance with FRS17 - Retirement Benefits	20	(5,715)	524
Total recognised gains and losses relating to the year		(8,793)	(11,717)

Consolidated balance sheet as at 31 December 2009

	Notes	2009 £'000	2008 £'000
Fixed assets			
Intangible assets	10	250	250
Tangible assets	11	669,338	682,833
Other investments	12	29,966	31,500
		699,554	714,583
Current assets			
Stocks		228	49
Debtors due within one year	13	43,964	24,310
Debtors due after one year	13	3,029	1,068
Cash at bank and in hand	14	64,963	132,760
		112,184	158,187
Creditors: amounts falling due within one year	15	(204,069)	(245,630)
Net current liabilities		(91,885)	(87,443)
Total assets less current liabilities		607,669	627,140
Creditors: amounts falling due after more than one year	16	(495,553)	(537,008)
Provisions for liabilities	18	(51,196)	(25,493)
Net assets excluding pension liability		60,920	64,639
Pension liability	20	(6,519)	(1,445)
Net assets including pension liability		54,401	63,194
Capital and reserves			
Called up share capital	21	-	-
Profit and loss account	22	54,401	63,194
Shareholders' funds	23	54,401	63,194

These financial statements of The Football Association, company number 00077797, were approved by the Board of Directors on 23 April 2010.

Signed on behalf of the Board of Directors

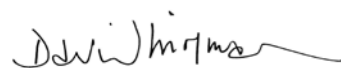


Lord Triesman, Chairman

Company balance sheet as at 31 December 2009

	Notes	2009 £'000	2008 £'000
Fixed assets			
Tangible assets	11	4,895	3,885
Other investments	12	199,967	201,501
		204,862	205,386
Current assets			
Debtors due within one year	13	35,363	17,062
Debtors due after one year	13	71,952	39,065
Cash at bank and in hand	14	30,445	88,029
		137,760	144,156
Creditors: amounts falling due within one year	15	(118,339)	(155,082)
Net current assets / (liabilities)		19,421	(10,926)
Total assets less current liabilities		224,283	194,460
Creditors: amounts falling due after more than one year	16	(2,287)	(2,000)
Provisions for liabilities	18	(20,868)	-
Net assets excluding pension liability		201,128	192,460
Pension liability	20	(6,519)	(1,445)
Net assets including pension liability		194,609	191,015
Capital and reserves			
Called up share capital	21	-	-
Profit and loss account	22	194,609	191,015
Shareholders' funds	23	194,609	191,015

These financial statements of The Football Association, company number 00077797, were approved by the Board of Directors on 23 April 2010.
Signed on behalf of the Board of Directors



Lord Triesman, Chairman

Consolidated cash flow statement year ended 31 December 2009

	Notes	2009 £'000	2008 £'000
Net cash (outflow) / inflow from operating activities	24(a)	(16,000)	99,403
Returns on investments and servicing of finance			
Interest paid		(24,402)	(30,971)
Interest received		3,482	6,953
Net cash outflow from returns on investments and servicing of finance		(20,920)	(24,018)
Taxation			
Corporation tax paid		-	(4)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(15,680)	(10,079)
Decrease / (increase) in fixed asset investment		1,534	(31,500)
Loan (advances) / repayments		(103)	(204)
Net cash outflow from capital expenditure and financial investment		(14,249)	(41,783)
Management of liquid resources			
Cash on deposits		60,000	(10,000)
Net cash inflow before financing		8,831	23,598
Financing			
Bank loan paid		(16,628)	(4,584)
Signing fees paid		-	(4,161)
Other financing		-	195
Net cash outflow from financing		(16,628)	(8,550)
(Decrease) / increase in cash	24(c)	(7,797)	15,048

Notes to the accounts year ended 31 December 2009

1. Accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year.

Basis of accounting

The financial statements have been prepared under the historical cost basis in accordance with applicable United Kingdom accounting standards and Company law.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' report which also outlines the financial position of the Group, its cash flows, liquidity position and borrowing facilities. In particular, the Directors' report includes a summary of the principal risks and uncertainties affecting the Group.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

a) Basis of consolidation

The Group accounts consolidate the results of the Company and all its subsidiaries. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

No profit and loss account is presented for the Company, as permitted by Section 408 of the Companies Act 2006. Profit after tax for the year for the Company was £9,309,000 (2008: £10,914,000).

b) Turnover

Turnover comprises the value of sales of goods and services (net of VAT, similar taxes and trade discounts) in the normal course of business.

Broadcasting contracts – Revenue derived from these contracts is recognised as turnover in proportion to the relative weighted values of the matches played during the year and covered under such contracts.

Sponsorship and related revenues – These are recognised in line with the rights provided.

Match day and other sporting and entertainment – These are recognised when the relevant event takes place.

Club Wembley licence fees - Revenue is recognised when the licence agreement has been signed and the licence period has commenced. Revenue from licence fees is spread evenly across the term of the licence agreement (usually approximately ten years).

Club Wembley season fees - When a customer first joins Club Wembley, revenue is recognised when the licence agreement has been signed and the licence period has commenced. For subsequent seasons, a transaction is recognised when the customer is invoiced. The season fee is spread evenly across the period that it relates to (1 August to 31 July if a full season).

c) 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 they had not been exchanged, the goods and services would have been sold for cash in a similar transaction.

d) Taxation

Current 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.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable

taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

e) Pension costs

For defined benefit schemes the amounts charged to operating profit use 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 defined benefit scheme is funded, with the assets of the scheme held separately from those of the Group, in a separate trustee administered fund. 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. Actuarial valuations are obtained at least triennially and are updated approximately at each balance sheet date for FRS17 purposes. 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.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

f) Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

Notes to the accounts
year ended
31 December 2009
(continued)

g) Grants and deferred income

Grants received in respect of capital expenditure are credited to a deferred grant account and are released to the profit and loss account over the expected useful lives of the relevant assets by matching with the relevant depreciation expense. Where a grant relates to an asset which is not depreciated, the grant remains in deferred grants until the end of the asset's life or when the asset is sold.

Revenue grants are credited to income so as to match them with the expenditure to which they relate.

h) Investments

Fixed asset investments are shown at cost less provision for impairment.

i) Intangible fixed asset

The intellectual property intangible asset is not amortised on the grounds of its expected durability. An impairment review is performed annually.

The directors consider that the Group's intangible asset has an indefinite life due to Wembley National Stadium Limited's proven and sustained ability to organise sporting and other entertainment events at the Stadium.

j) Tangible fixed assets

Assets in the course of construction relate to costs associated with the construction of St George's Park. They will be depreciated over their estimated useful lives from completion.

Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairment. No depreciation is charged in respect of freehold land. Depreciation is provided on all other tangible fixed assets on a straight line basis, at rates calculated to write off the cost of those assets over their useful expected lives, and incorporating any residual value, as follows:

Stadium	– The assets that comprise the Stadium have been categorised into operating classes and depreciated according to the useful economic life of that class. Useful economic lives range from 5 to 50 years.
Long leasehold property	– Over the life of the lease when remaining term is less than 50 years, otherwise not depreciated.
Leasehold improvements	– 5 years
Fixtures, fittings, equipment and motor vehicles	– Between 3 – 10 years
Assets in the course of construction	– Not depreciated until brought into use

k) Stocks

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

l) Borrowing costs

The arrangement fees for the committed funding have been offset against the loan and are being amortised over the period of the loan. Arrangement fees relating to the previous loan have been written off during the prior year as a result of the refinancing of the bank loan. Finance costs, including amortisation of arrangement fees, directly attributable to construction have been capitalised as assets in the course of construction which were reclassified as Stadium asset when the asset was brought into use. The commencement of capitalisation began when both finance costs and expenditures for the asset were incurred and activities that were necessary to get the asset ready for use were in progress. Capitalisation ceased when Operational Completion was reached. This was when substantially all the activities that were necessary for the use of the Stadium were complete. Operational Completion was achieved on 30 March 2007, consequently from this date capitalised costs have been depreciated on a straight line basis over the life of the Stadium and borrowing costs incurred from this date are charged to the profit and loss account as incurred.

m) Foreign currency

Transactions denominated in foreign currencies are recorded in sterling at actual exchange rates as at the date of the transaction (or where appropriate, at the rate of exchange in a related forward exchange contract). Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

Notes to the accounts year ended 31 December 2009 (continued)

n) Derivative financial instruments

The Group uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The Group does not hold or issue derivative financial instruments for speculative purposes.

The foreign exchange financial instruments must be related to actual foreign currency assets or liabilities or to a probable commitment. It must involve the same currency or similar currencies as the hedged item and must also reduce the risk of foreign exchange movements on the Group's operations. Gains and losses arising on these contracts are deferred and recognised in the profit and loss account only when the hedged transaction has itself been reflected in the Group's financial statements.

For an interest rate swap to be treated as a hedge the instrument must be related to actual assets or liabilities or probable commitment and must change the nature of the interest rate by converting a fixed rate to a variable rate or vice versa. Interest differentials under these swaps are recognised by adjusting new interest payable over the periods of the contracts.

If an instrument ceased to be accounted for as a hedge, for example because the underlying hedged position has been eliminated, the instrument is marked to market and any resulting profit or loss recognised at that time.

o) Distributions to the game

Distributions to the game comprise grants and donations that are made to both the Professional Game and National Game. These are recognised when a constructive obligation arises that result in payment being unavoidable.

Notes to the accounts year ended 31 December 2009 2. Segmental information

Turnover, operating profit and net assets / (liabilities) by class of business are set out below. All activities originated in the United Kingdom. The Group sells rights to overseas broadcasters, so Group turnover by destination includes £42m (2008: £21m) to the rest of the world, outside the United Kingdom.

	Promotion of Association Football		Stadium and event management		Inter segment transactions		Group	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Turnover	232,528	183,745	101,925	89,713	(20,890)	(11,639)	313,563	261,819
Operating profit/(loss)	(5,503)	9,596	9,621	5,886	1,667	1,165	5,785	16,647
Interest payable and similar charges	(280)	(269)	(25,877)	(39,333)	-	-	(26,157)	(39,602)
Interest receivable & other income	19,157	5,285	690	2,341	-	-	19,847	7,626
Profit/(loss) before tax	13,374	14,612	(15,566)	(31,106)	1,667	1,165	(525)	(15,329)
Net assets/(liabilities)	190,862	190,363	68,512	82,760	(204,973)	(209,929)	54,401	63,194

The inter segment transactions comprise a number of adjustments including staging fees paid by The FA to WNSL, fees paid by The FA to England 2018/2022 and The FA's investment in WNSL.

Barter transactions

The amount of barter transactions for goods and other services recognised in turnover is £1,809,000 (2008: £1,840,000).

Notes to the accounts year ended 31 December 2009

3. Operating expenses

	2009 £'000	2008 £'000
The Football Foundation and Football Stadia Improvement Fund	15,000	15,000
The Football League	10,587	9,245
County FA (grants)	17,522	13,113
Professional Footballers' Association	1,890	2,212
Other distributions to the game	8,311	5,177
Distributions to the game	53,310	44,747
Exceptional items	16,770	490
Employee costs	36,965	33,480
Stadia and event management	51,983	51,091
Other operating expenses	39,722	28,417
Total operating expenses	198,750	158,225

The exceptional items of £16,770,000 (2008: £490,000) are in relation to integration and relocation costs.

4. Directors' remuneration

	2009 £'000	2008 £'000
Emoluments	600	862
Benefits in kind	-	48
Pension payments	12	28
Compensation for loss of office	-	1,289
	612	2,227

There are no directors to whom retirement benefits are accruing in respect of qualifying services in respect of defined benefit schemes (2008 - none).

	£'000	£'000
Details of highest paid director		
Total emoluments and benefits in kind	246	1,919
Company contributions to money purchase schemes	-	20

Notes to the accounts year ended 31 December 2009

5. Employee information

	2009 No.	2008 No.
Average monthly number of persons employed by the Group during the year:		
Promotion of Association Football	450	412
Stadium and event management	118	132
	568	544
	£'000	£'000
Their aggregate remuneration comprised:		
Wages and salaries	34,683	30,084
Social security costs	3,842	3,307
Other pension costs	3,071	2,417
Severance costs	1,013	1,847
	42,609	37,655

During 2009 The FA employed 90 (2008: 66) coaches which are funded as part of the Tesco's skills programme. These are included in the Promotion of Association Football average employee number above.

The total employee cost has been allocated into cost of sales £4,905,000 (2008: £4,114,000), operating expenses £36,965,000 (2008: £33,480,000) (see Note 3), exceptional items £729,000 (2008: nil) and Stadium fixed assets £10,000 (2008: £61,000) (see Note 11).

Notes to the accounts year ended 31 December 2009

6. Operating profit

Operating profit is after charging / (crediting):

	2009	2008
	£'000	£'000
Depreciation – owned tangible fixed assets	29,089	28,406
Loss on sale of fixed assets	86	-
Amortisation of deferred capital grants	(1,037)	(1,525)
Auditors' remuneration:		
- Fees payable to the Group's auditors for the audit of the Group's annual accounts (including £82,000 (2008: £100,500) relating to the Company)	152	181
- Fees payable to the Group's auditors for tax services to the Group (including £149,000 (2008: £201,000) relating to the Company)	357	562
- Fees payable to the Group's auditors for other services to the Group and Company	38	44
Hire of plant and machinery under operating leases	23	18
Other operating lease rentals	2,445	2,460

7. Interest payable and similar charges

	2009	2008
	£'000	£'000
Bank interest payable	23,638	26,640
Exceptional amortisation of issue costs	-	10,842
Unwinding of discount	2,239	1,851
Other interest payable	280	269
	26,157	39,602

The exceptional amortisation of issue costs of £10,842,000 relates to the acceleration of the original amortisation charge in respect of the original bank loan entered into in 2002. The outstanding issue costs were written off as a result of the refinancing that took place in 2008.

Notes to the accounts year ended 31 December 2009

8. Other operating income

	2009	2008
	£'000	£'000
Bank interest receivable	2,724	7,626
Other income	484	-
Exceptional net income in relation to future income received but not earned	16,639	-
	19,847	7,626

Other operating income includes an exceptional credit of £16,600,000 in relation to contracts with two of The FA's broadcasters, Setanta and Gateway, which went into administration and liquidation respectively during 2009.

9. Taxation

	2009	2008
	£'000	£'000
Current tax		
UK corporation tax at 28% (2008: 28.5%)	(2,913)	(1)
Adjustment in respect of prior years	(50)	225
	(2,963)	224
Current tax		
Origination and reversal of timing differences	962	1,554
Adjustment in respect of prior years	(303)	1,643
Deferred tax on pension scheme deficit	(249)	(333)
Total tax (charge) / credit	(2,553)	3,088

Notes to the accounts year ended 31 December 2009

9. Taxation (continued)

The actual tax charge differs from the standard rate for the reasons set out in the following reconciliation:

	2009 £'000	2008 £'000
Loss on ordinary activities before tax	(525)	(15,329)
Tax at 28% thereon (2008: 28.5%)	147	4,369
<hr/>		
Effects of:		
Expenses not deductible for tax purposes	(3,296)	(3,243)
Depreciation less than/(in excess of) capital allowances	1,274	(2,509)
Non-taxable release of grant income	535	546
Movement in short term timing differences	(1,721)	1,183
Unutilised tax losses	(141)	(421)
Capitalised finance costs	(255)	(265)
Deferred tax on pension scheme deficit	249	339
Adjustment in respect of prior years	(50)	225
Pre trading losses now utilised	295	-
Current tax (charge)/credits for period	(2,963)	224

10. Intangible fixed assets

	Intellectual property £'000
Cost and net book value	
At 1 January 2009 and 31 December 2009	250

Intangible assets represent the cost attributed to intellectual property on the acquisition of the Stadium.

Notes to the accounts year ended 31 December 2009

11. Tangible fixed assets

Group:	Land and buildings £'000	Stadium £'000	Assets in the course of construction £'000	Leasehold improvements £'000	Fixtures, fittings, equipment and motor vehicles £'000	Total £'000
Cost:						
At 1 January 2009	67,000	645,380	23,107	2,841	18,726	757,054
Additions	-	10,207	1,303	-	4,170	15,680
Disposals	-	-	-	(86)	(350)	(436)
At 31 December 2009	67,000	655,587	24,410	2,755	22,546	772,298
Accumulated depreciation:						
At 1 January 2009	-	43,378	17,674	2,677	10,492	74,221
Charge for the year	-	24,825	-	39	4,225	29,089
Disposals	-	-	-	-	(350)	(350)
At 31 December 2009	-	68,203	17,674	2,716	14,367	102,960
Net book value:						
At 31 December 2009	67,000	587,384	6,736	39	8,179	669,338
At 31 December 2008	67,000	602,002	5,433	164	8,234	682,833

Group

Land and buildings includes freehold land, which is held at cost of £64,500,000 (2008: £64,500,000) following the purchase of land and buildings from Wembley plc in 1999. It also includes long leasehold property of £2,500,000 (2008: £2,500,000).

The assets in the course of construction relate to St George's Park, the site for the proposed National Football Centre. This asset is being carried at cost less provision for impairment.

During the year, directly attributable staff costs of £10,000 (2008: £61,000) have been capitalised into the Stadium assets.

The total amount of finance costs included within the Stadium asset at the year end is £73,566,000 (2008: £73,566,000).

Notes to the accounts year ended 31 December 2009

11. Tangible fixed assets (continued)

Company	Stadium £'000	Leasehold improvements £'000	Fixtures, fittings, equipment and motor vehicles £'000	Total £'000
Cost:				
At 1 January 2009	1,506	2,841	6,722	11,069
Additions	703	-	1,557	2,260
Disposals	-	(86)	(350)	(436)
At 31 December 2009	2,209	2,755	7,929	12,893
Accumulated depreciation:				
At 1 January 2009	-	2,677	4,507	7,184
Charge for the year	19	39	1,106	1,164
Disposals	-	-	(350)	(350)
At 31 December 2009	19	2,716	5,263	7,998
Net book value:				
At 31 December 2009	2,190	39	2,666	4,895
At 31 December 2008	1,506	164	2,215	3,885

Notes to the accounts year ended 31 December 2009

12. Fixed asset investments

	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Subsidiary undertakings	-	-	170,001	170,001
Subsidiary undertakings (via intermediary)	29,966	31,500	29,966	31,500
	29,966	31,500	199,967	201,501

Details of subsidiary companies, in each of which 100% of the nominal value of £1 ordinary shares is held, are as follows:

Name	Activity
The English National Stadium Property Company Limited	Dormant
Wembley National Stadium Limited	Event management and Stadium construction
National Football Centre Limited	Property development and operating company
FA Learning Limited	Educational activities
England 2018/2022 Bidding Nation Limited	World Cup bid management company

Analysis of movement in investments

	Group		Company	
	Shares in Group companies £'000	Subsidiary company investment (via intermediary) £'000	Shares in Group companies £'000	Subsidiary company investment (via intermediary) £'000
At 1 January 2009	-	31,500	170,001	31,500
Repayment of investment	-	(1,534)	-	(1,534)
At 31 December 2009	-	29,966	170,001	29,966

The subsidiary company investment of £29,966,000 comprises a back to back loan to an intermediary bank, the counter party being WNSL. For the period ending 31 December 2009 the investment has accrued interest at 4.28%.

Notes to the accounts year ended 31 December 2009

13. Debtors

	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Amounts falling due within one year				
Trade debtors	28,518	6,717	24,622	3,460
Amounts owed from subsidiary undertakings	-	-	1,856	1,033
VAT receivable	410	460	-	-
Other debtors	6,713	2,914	4,346	2,652
Prepayments and accrued income	8,323	14,219	4,539	9,917
	43,964	24,310	35,363	17,062
Amounts falling due after one year				
Loans to clubs	503	394	503	394
Loans to subsidiary undertakings	-	-	68,923	37,997
Deferred tax asset (see Note 19)	2,526	674	2,526	674
	3,029	1,068	71,952	39,065
Trade debtors	46,993	25,378	107,315	56,127

A loan to WNSL of £63,210,000 (2008: £32,243,000) is included in loans to subsidiary undertakings above and is repayable only after certain obligations under the financing arrangements have been discharged.

From 20 December 2007, no interest was payable on this loan. WNSL must ensure that up to £100,000,000 of any investment from The FA (including loans or equity investments) will be retained for a minimum period of 50 years from the date of practical completion, unless specific permission from the Secretary of State is given otherwise.

Notes to the accounts year ended 31 December 2009

14. Cash at bank and in hand

Cash at bank and in hand includes short term treasury deposits totalling £Nil (2008: £60,000,000). These have been classified as liquid resources in the cash flow statement in accordance with FRS1.

15. Creditors: amounts falling due within one year

	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Bank loan	12,438	11,805	-	-
Trade creditors	19,091	22,867	1,204	2,039
Amounts due to subsidiary undertakings	-	-	418	-
Other creditors				
- UK corporation tax payable	10,217	7,303	10,217	7,303
- Social security and other taxes	2,317	2,440	2,190	2,255
- Other	2,745	2,091	1,918	1,856
Accruals	35,585	35,318	17,875	17,341
Deferred income	121,676	163,806	84,517	124,288
	204,069	245,630	118,339	155,082

Deferred income predominantly comprises contractual broadcasting and sponsorship income received in advance and the upfront Club Wembley licence fees.

Notes to the accounts year ended 31 December 2009

16. Creditors: amounts falling due after more than one year

	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Bank loan	308,555	325,534	-	-
Accruals	-	13,946	-	-
Deferred income	70,584	80,078	2,000	2,000
Deferred grants	116,414	117,450	-	-
Amounts due to subsidiary undertakings	-	-	287	-
	495,553	537,008	2,287	2,000

The Group bank loan of £324,872,000 is stated net of unamortised arrangement fees of £3,879,000 (2008: £4,161,000). It was refinanced during the prior year and is repayable in instalments over the 15 year term of the loan, secured as a first charge over the assets of WNSL. Each annual repayment will include a mandatory amount, together with a targeted amount based on performance.

The amounts of repayments are as follows:

	2009 £'000	2008 £'000
Less than one year	12,438	11,805
Between one and two years	11,355	12,438
Between two and five years	17,599	22,834
More than five years	283,480	294,423
	324,872	341,500

Notes to the accounts year ended 31 December 2009

16. Creditors: amounts falling due after more than one year (continued)

	2009 £'000	2008 £'000
Deferred grants comprise the following amounts:		
Sport England	77,827	78,050
Department of Culture, Media and Sport ("DCMS")	18,746	19,139
London Development Agency ("LDA")	19,841	20,261
	116,414	117,450

The Sport England grant was made under the terms of Agreements dated 11 November 1997 and 15 May 1998. £11,194,000 of the grant funding relates to the Stadium. This will be amortised over the life of the building, leaving a balance of £67,250,000 which represents grants in respect of land of £64,500,000, long leasehold property of £2,500,000 and £250,000 for business intellectual property rights.

The DCMS grant relates to the S106 payments to improve infrastructure of the surrounding area. The LDA grant relates to infrastructure work, which includes certain elements of costs relating to concrete, steel framework and concourses.

The grants are amortised over the life of the assets they relate to in line with depreciation charged on those assets. The amount amortised to the profit and loss account during the year was £1,037,000 (2008:£1,041,000).

Notes to the accounts year ended 31 December 2009

17. Financial instruments

The Group has a policy to hedge significant foreign exchange risk. The FA has entered into a number of fixed forward foreign exchange contracts in 2008 and as at 31 December 2009 these foreign exchange contracts have a fair value loss of £7,551,000 (2008: £12,800,000). These contracts have been entered into to minimise The FA's exposure to foreign currency risk. The fair value has been calculated in accordance with the guidance set out in FRS 25, Financial Instruments: Disclosure and Presentation and is disclosed as required by the Companies Act 2006.

The Group also has a policy to hedge significant interest rate risk. WNSL has entered into an interest rate swap for £341,500,000, the full amount of its Senior facility. The swap has been profiled on the mandatory repayment schedule and has been fixed at a swap rate of 6.922% p.a., which includes the margin. The rate is fixed for the term of the loan. As at 31 December 2009 the interest rate swap contract has a fair value loss of £35,568,000 (2008: £50,159,000). The fair value has been calculated in accordance with the guidance set out in FRS 25, Financial Instruments: Disclosure and Presentation and is disclosed as required by the Companies Act 2006. The fair value takes into account the current and unprecedented low interest rates.

Notes to the accounts year ended 31 December 2009

18. Provisions for liabilities

Group	Deferred tax (see Note 19) 2009 £'000	Provisions for Commercial Agreements £'000	Total £'000
At 1 January 2009	25,493	-	25,493
Charged in the year	1,235	24,468	25,703
At 31 December 2009	26,728	24,468	51,196

Company	Deferred tax (see Note 19)	Provisions for Commercial Agreements £'000	Total £'000
At 1 January 2009	-	-	-
Charged in the year	-	20,868	20,868
At 31 December 2009	-	20,868	20,868

Included in Provisions for Commercial Agreements is an amount in relation to the lease commitment on The FA's former headquarters at Soho Square which is expected to be utilised within the next twelve years. The remaining provisions relate to commercial matters arising in the normal course of business which are expected to be utilised within the next three years.

Notes to the accounts year ended 31 December 2009

19. Deferred tax

Analysis of deferred tax asset	Group		Company	
	Deferred tax asset £'000		Deferred tax asset £'000	
At 1 January 2009	674		674	
Utilised in the year	1,852		1,852	
At 31 December 2009	2,526		2,526	

A deferred tax asset relates to short term timing differences between the Company's taxable profits and its results as stated in the financial statements. In the opinion of the directors there will be future taxable profits against which the deferred tax asset will be recovered.

Net deferred tax position	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
This comprises fully provided deferred taxation attributable to:				
Capital allowances	(15,193)	(14,225)	727	240
Short term timing differences	1,672	342	1,799	434
Capitalised finance costs	(10,681)	(10,936)	-	-
Deferred tax (liability)/asset	(24,202)	(24,819)	2,526	674

Notes to the accounts year ended 31 December 2009

19. Deferred tax (continued)

The net deferred tax position is disclosed as follows:

	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Deferred tax asset	2,526	674	2,526	674
Deferred tax liability	(26,728)	(25,493)	-	-
Deferred tax (liability) / asset	(24,202)	(24,819)	2,526	674

Group

A deferred tax liability has been provided for accelerated capital allowances in line with FRS 19. This liability relates to capital allowances claimed on the Stadium.

A deferred tax liability has been provided for capitalised finance costs in line with FRS 19. This liability relates to a deduction taken for finance costs which will be released to the profit and loss account in future periods.

Notes to the accounts year ended 31 December 2009

20. Pension arrangements

The Group operates a defined benefit pension scheme in the UK (the "Scheme"). A full actuarial valuation was carried out at 1 January 2009 and a FRS 17 valuation was carried out at 31 December 2009 by a qualified actuary. The major assumptions used for the actuarial valuation were:

Assumptions at 31 December	2009 % p.a	2008 % p.a
Discount rate	5.60	6.20
Expected long-term rate of return on Scheme assets	5.70	5.13
Rate of increase in salaries	5.10	4.40
Inflation assumption	3.60	2.90
Rate of increase of pensions in payment	3.60	2.90

The underlying mortality assumption is based upon the standard table known as PCA00 on a year of birth usage with medium cohort future improvement factors subject to a minimum annual rate of future improvement equal to 1.0% (2008: PA92 projected on a year of birth usage with medium cohort future improvement factors).

Employee Benefit Obligations

The amounts recognised in the balance sheet as at 31 December 2009 are as follows:

	2009 £'000	2008 £'000
Present value of Scheme liabilities	(53,118)	(37,674)
Market value of Scheme assets	44,065	35,667
Deficit in the Scheme	(9,053)	(2,007)
Related deferred tax asset	2,534	562
Net pension liability	(6,519)	(1,445)

Notes to the accounts year ended 31 December 2009

20. Pension arrangements (continued)

The amounts to be recognised in the profit and loss for the year ended 31 December 2009 are as follows:

	2009 £'000	2008 £'000
Current service cost	1,224	1,642
Interest on Scheme liabilities	2,357	2,418
Expected return on Scheme assets	(1,873)	(2,462)
Past service cost	65	45
Total	1,773	1,643
Actual return / (loss) on Scheme assets	6,289	(4,588)

Changes in the present value of the Scheme liabilities for the year ended 31 December 2009 are as follows:

	2009 £'000	2008 £'000
Present value of Scheme liabilities at beginning of period	37,674	41,836
Current service cost	1,224	1,642
Employee contributions	277	304
Past service cost	65	45
Interest cost	2,357	2,418
Actuarial losses/(gains)	12,353	(7,778)
Benefits paid	(832)	(793)
Present value of Scheme liabilities at end of period	53,118	37,674

Notes to the accounts year ended 31 December 2009

20. Pension arrangements (continued)

Changes in the fair value of the Scheme assets for the year ended 31 December 2009 are as follows:

	2009 £'000	2008 £'000
Market value of Scheme assets at beginning of period	35,667	37,912
Expected return	1,873	2,462
Actuarial gains/(losses)	4,416	(7,050)
Benefits paid	(832)	(793)
Contributions paid by the Company	2,664	2,832
Employee contributions	277	304
Market value of Scheme assets at end of period	<u>44,065</u>	<u>35,667</u>

The agreed contribution to be paid by the Company for the forthcoming year (year ending 31 December 2010) is 28.6% of Pensionable Earnings plus £86,833 per month, subject to review at future actuarial valuations. In addition, the Company will pay the premiums on the policies insuring the death-in-service benefits and any levies payable.

The major categories of Scheme assets as a percentage of total Scheme assets for the year ending 31 December 2009 are as follows:

	2009 %	2008 %
Equities and Property	74	69
Bonds	21	25
Cash	5	6
Total	<u>100</u>	<u>100</u>

The expected long-term rate of return on the Scheme assets has been calculated based upon the major asset categories shown in the above table and an expected rate of return on equities and property of 6.4% (2008: 5.7%), an expected rate of return on bonds of 4.7% (2008: 4.3%) and an expected rate of return on cash of 0.5 % (2008: 2.0%).

Notes to the accounts year ended 31 December 2009

20. Pension arrangements (continued)

Analysis of amount recognisable in statement of total recognised gains and losses ("STRGL") for the year ending 31 December 2009 are as follows:

	2009 £'000	2008 £'000
Actual return less expected return / (loss) on Scheme assets	4,416	(7,050)
Experience gains and losses arising on Scheme liabilities	883	(397)
Changes in assumptions underlying the present value of Scheme liabilities	(13,236)	8,175
Actuarial (loss) / gain	(7,937)	728
Related deferred tax	2,222	(204)
Net actuarial (loss) / gain recognised in STRGL	<u>(5,715)</u>	<u>524</u>

Cumulative amount of actuarial gains and losses recognised in STRGL

	2009 £'000	2008 £'000
Cumulative loss at beginning of period	(1,422)	(2,150)
Recognised during the period	(7,937)	728
Cumulative actuarial loss at end of period	<u>(9,359)</u>	<u>(1,422)</u>

Movement in deficit during the year

	2009 £'000	2008 £'000
Deficit in Scheme at beginning of period	(2,007)	(3,924)
Expenses recognised in profit and loss	(1,773)	(1,643)
Contributions paid by the Company	2,664	2,832
Actuarial (loss) / gain	(7,937)	728
Deficit in Scheme at end of period	<u>(9,053)</u>	<u>(2,007)</u>

Notes to the accounts year ended 31 December 2009

20. Pension arrangements (continued)

History of experience gains and losses:

Amounts for the current and previous four accounting periods are as follows:

	2009 £'000	2008 £'000	2007 £'000	2006 £'000	2005 £'000
Present value of scheme liabilities	(53,118)	(37,674)	(41,836)	(40,055)	(40,840)
Market value of scheme assets	44,065	35,667	37,912	33,589	30,791
Deficit in the Scheme	(9,053)	(2,007)	(3,924)	(6,466)	(10,049)
Actual return less expected return on Scheme assets	4,416	(7,050)	870	781	3,436
Experience gains and losses arising on Scheme liabilities	883	(397)	375	(319)	(291)
Change in assumptions underlying the present value of Scheme liabilities	(12,236)	8,175	617	4,214	(5,090)

From 1 January 2003 new employees have not been able to enter the Scheme. They have instead been given the opportunity to join a money purchase pension scheme. During the year the Group made contributions of £564,000 (2008: £429,000) into this scheme.

Notes to the accounts year ended 31 December 2009

21. Called up share capital

The Company has an authorised share capital of £101 (2008: £101) represented by 2,000 (2008: 2,000) ordinary equity shares of 5p each and one Special Rights Preference share of £1 (2008: £1), which is included in liabilities.

At 31 December 2009, 1,614 ordinary shares (2008: 1,614) had been issued and allotted but nil paid.

The shares do not entitle the owner to any dividend or bonus in the Company. The Special Share is held jointly by The Premier League Limited and The Football League Limited.

22. Profit and loss account

Group	2009 £'000	2008 £'000
At 1 January	63,194	74,911
Loss for the year	(3,078)	(12,241)
Other recognised gains and losses relating to the year	(5,715)	524
At 31 December	54,401	63,194

Company	2009 £'000	2008 £'000
At 1 January	191,015	179,577
Profit for the year	9,309	10,914
Other recognised gains and losses relating to the year	(5,715)	524
At 31 December	194,609	191,015

Notes to the accounts year ended 31 December 2009

23. Reconciliation of movements in shareholders' funds

Group	2009 £'000	2008 £'000
Loss for the financial year	(3,078)	(12,241)
Other recognised gains and losses relating to the year	(5,715)	524
Net reduction to shareholders' fund	(8,793)	(11,717)
Opening shareholders' funds	63,194	74,911
Closing shareholders' funds	54,401	63,194

Company	2009 £'000	2008 £'000
Profit for the financial year	9,309	10,914
Other recognised gains and losses relating to the year	(5,715)	524
Net addition to shareholders' fund	3,594	11,438
Opening shareholders' funds	191,015	179,577
Closing shareholders' funds	194,609	191,015

Notes to the accounts year ended 31 December 2009

24. Notes to the consolidated cash flow statement

(a) Reconciliation of operating profit to net cash (outflow) / inflow from operating activities

	2009 £'000	2008 £'000
Operating profit	5,785	16,647
Depreciation	29,089	28,406
Loss on disposal of fixed assets	86	-
Amortisation of deferred capital grants	(1,912)	(1,916)
Decrease / (increase) in stocks	14	(13)
(Increase) / decrease in debtors	(21,541)	636
(Decrease) / increase in creditors	(52,448)	56,911
Increase / (decrease) in provisions	24,927	(1,268)
Net cash (outflow) / inflow from operating activities	(16,000)	99,403

(b) Analysis of net debt

	At 1 January 2009 £'000	Cash flow £'000	Non cash movement £'000	At 31 December 2009 £'000
Cash at bank and in hand	72,760	(7,797)	-	64,963
Liquid resources	60,000	(60,000)	-	-
Cash at bank and in hand (per balance sheet)	132,760	(67,797)	-	64,963
Debt due within one year	(11,805)	11,805	(12,438)	(12,438)
Debt due after one year	(325,534)	4,823	12,156	(308,555)
Net debt	(204,579)	(51,169)	(282)	(256,030)

Notes to the accounts year ended 31 December 2009

24. Notes to the consolidated cash flow statement (continued)

(c) Reconciliation of net cash flow to movement in net debt

	2009 £'000	2008 £'000
(Decrease) / increase in cash in the year	(7,797)	15,048
Management of liquid resources	(60,000)	10,000
Cash and non-cash inflow/(outflow) from increase in debt financing	16,346	(2,096)
	(51,451)	22,952
Net debt brought forward	(204,579)	(227,531)
Net debt carried forward	(256,030)	(204,579)

Notes to the accounts year ended 31 December 2009

25. Guarantees and other financial commitments

(a) Lease commitments

The Group has entered into non-cancellable operating leases in respect of plant and machinery. In addition the Group leases certain land and buildings on operating leases. The rents payable under these leases are subject to renegotiations at various intervals specified in the leases.

The minimum annual rentals under the foregoing leases are as follows:

	Group			
	2009 Land and buildings £'000	Other £'000	2008 Land and buildings £'000	Other £'000
Operating leases which expire:				
- within one year	14	232	27	233
- between two and five years	-	66	-	66
- after five years	2,155	-	2,155	-
	2,169	298	2,182	299

	Company			
	2009 Land and buildings £'000	Other £'000	2008 Land and buildings £'000	Other £'000
Operating leases which expire:				
- within one year	14	222	27	233
- between two and five years	-	53	-	45
- after five years	2,155	-	2,155	-
	2,169	275	2,182	278

(b) Company commitments and contingent commitments to WNSL

The FA has in place an annual support agreement with WNSL, which is currently £13,000,000 p.a., until certain conditions are met.

Notes to the accounts year ended 31 December 2009

26. Related party transactions

By the Company's nature, and in accordance with its rules, The FA enters into a number of transactions in the normal course of business with County and other Affiliated Associations, The Premier League Limited, The Football League Limited, The Football Foundation, The Football Stadia Improvement Fund and other competitions and football clubs, of which certain members of the Board are directors.

The FA has a one third interest in Professional Game Match Officials Limited ("PGMOL"), a company limited by guarantee. The results of this associated Company have not been included in this report as they are immaterial. If the equity method of accounting under FRS 9 was used the Group's assets would increase by £55,000 (2008: £58,000), and the Group's loss after tax would increase by £3,000 (2008 – profit after tax of £26,000). The FA contributed £1,096,000 (2008: £956,000) towards the operating costs of PGMOL that are necessary for providing match officials to the Professional Game.



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