REPORT AND FINANCIAL STATEMENTS

THE FOOTBALL ASSOCIATION LIMITED
YEAR ENDED 31 JULY 2017


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About The FA
Supporting Football since 1863

The FA is the not-for-profit, governing body of football in England which re-invests over £120m back into the game each year. It grows participation, promotes diversity and regulates the sport for everyone to enjoy. Twelve million players of all ages, 400,000 volunteers, 300,000 coaches and 27,000 qualified referees help The FA keep the grassroots game going.

The FA runs 24 England teams, across men's, women's, youth and disability football, utilising the world-class facilities of Wembley Stadium and St. George's Park.

Football is the nation's favourite game.
To find out more, please visit TheFA.com

Company Registration No. 00077797

Contents

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M Glenn	(Chief Executive Officer)
M R Leggett	
P McCormick OBE	
J Pearce	
J Rodwell	
R Cotter	
K Tinsley	(Appointed 26 October 2017)
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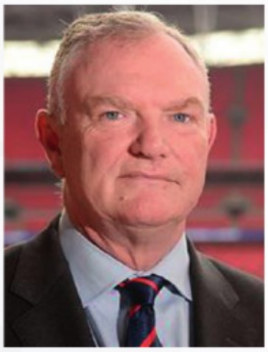
Chairman's statement



When I joined The Football Association ("The FA") a year ago, the organisation was at a pivotal moment. Following a significant corporate restructure we had a new approach underlined by a new four year strategic plan. What we needed to do was clear and I believe in the last year we have made great progress towards our strategic goals. There is naturally much more work to do, but this first year has shown that The FA is becoming more dynamic and embracing of positive change.

Martin discusses our ongoing strategic objectives as part of his Chief Executive Officer's review of the year; however, I have great confidence that we are on course to make a tangible difference at every level of the game. With our new international broadcast deal we can now commit even more investment to grassroots football above the record investment in the 2016/17 season of £127 million; delivering football For All is what The FA does best.

This summer has given me great pride to see how well the England teams have done across the Men's, Women's and disability game. Successes in the men's FIFA Under-20 World Cup and the men's UEFA European Under-19 Championship, semi-finalists in the Women's Euro's, four men's disability squads reaching major tournaments including the partially sighted winning silver, the power chair winning bronze and cerebral palsy team reaching fourth place at their respective World Championships, the blind team won bronze at the European championship being the standout performances of a summer of high achievement for our development teams. Much credit must go to the Technical Division up at St. George's Park but it's a team effort across the organisation. There is a clear direction for each team and this is translating into good results on the pitch. English football has a bright future and their achievements will have inspired girls and boys up and down the country to get out and play.

It also proves to me that the performance model we have in place at St George's Park, which is five years old in October, is working. This season Wembley Stadium connected by EE ("Wembley Stadium") celebrated its tenth anniversary. Both are undoubtedly two world-class facilities, staffed by great people. We can be incredibly proud of the value they add to the English game.

Off the pitch, we have also seen substantial change. This year we achieved a significant and very positive step by introducing new governance reforms for the organisation. These reforms have the interests of football at their core and they will benefit all of English football. It's a good start, but our aim is to go even further in making English football a more inclusive and diverse game.

There were of course significant challenges for The FA this year too. We were all deeply shocked and saddened by the historic sexual abuse that came to light during the season. Our on-going safeguarding work is essential to keeping people who play at any level in this country safe. We are committed to continuing to ensure that this work is robust and we provide a safe environment for football to thrive. Likewise we will meet the findings of the independent investigation into the historic cases with the openness and integrity they demand.

After my first year as FA Chairman I am reassured that we are making a real difference to improve the game across the country.

We now enter the second year of a four year plan for the organisation and another significant season if we are to achieve the ambitious goals that we have set ourselves. There will be challenges I'm sure, but our drive, determination and focus has been unwavering throughout and I am confident we have the resources and expertise to deliver.

Greg Clarke
Chairman,
The Football Association

Strategic report

This Strategic report contains the following sections:

- Strategic priorities;
- Chief Executive Officer's review of the year;
- Principal risks and uncertainties;
- Corporate social responsibility; and
- Financial review.

The directors, in preparing this Strategic report, have complied with s414C 'contents of strategic report' of the Companies Act 2006.

Strategic priorities

The FA Group has seven strategic priorities as it looks towards the landmark year of 2020.

By 2020 we will deliver the following objectives:

ENGLAND TEAMS WINNING
England men's and women's senior teams prepared to win;

WORLD LEADING EDUCATION
A world-leading education programme for a diverse football workforce;

DOUBLING THE WOMEN'S GAME
A doubling of the player base and fan following of women's football;

PLAYING OPPORTUNITIES FOR EVERYONE
Playing opportunities for everyone in a rapidly changing game;

DIRECT ENGAGEMENT
Direct engagement with every fan, player and participant;

TRUSTED AND EFFICIENT
Trusted regulation, efficient administration and world class competitions; and

WORLD CLASS VENUES
Wembley Stadium and St. George's Park as inspirational venues.

By 2020 the following enablers will allow us to be an organisation that:

OUR PEOPLE
Recruits, retains and develops excellent people who are proud to serve the game;

UNDERSTANDING THE GAME
Uses research, insight and measurement to understand the game and make better decisions;

STRONG FINANCIAL BASE
Operates from a strong financial and commercial base to ensure we can invest in the game where it needs it most; and

COMMUNICATION
Communicates positively, pro-actively and consistently to promote opportunity and celebrate excellence.

These priorities are discussed in more detail as part of the Chief Executive Officer's review of the year.

DIRECT ENGAGEMENT

Direct engagement with every fan, player and participant.

Strategic report
Chief Executive Officer's review of the year

Several years ago The Football Association chose to go on a journey of change and modernisation. Although football in England was fundamentally healthy in terms of participation and the improving quality of stadia, there was still a lot of room for improvement.

At The FA we wanted to improve our performance in three key areas; the tournament record of the senior England men's team, the calibre of coaching available at grass roots football and the quality of pitches and changing rooms.

We also wanted to update and enhance the way we serviced the needs of the English game. This ranged from how we affiliated Clubs through to our ability to provide a consistent service on player registration. As a governing body for an increasingly global sport we recognised that we had to improve the standards of our service.

We also saw two big opportunities. Firstly, the women's game, which was growing quickly but wasn't as well developed as in other big footballing nations. Secondly, we wanted to ensure greater diversity. We recognised that if we had a work force that better reflected the people who play football today we would in turn be a more effective organisation.

To do this we had to make substantial changes to the organisation. This was a painful process involving over 100 job losses but it allowed us to make significant progress and refocus investment into frontline football. We freed up £30 million of savings that we could reinvest into supporting the 24 England teams based at St George's Park, as well as relaunching our Coaching programmes and accelerating the provision of high quality artificial pitches across the country.

After getting our costs under control we worked hard at rebuilding our revenues. The FA is a not-for-profit organisation and the vast majority of what we invest into English football has to be raised ourselves from selling The Emirates FA Cup and England broadcast rights, and of course sponsorship. Over the course of the year we have secured two new deals which are transformational to our finances. We now have a long-term deal with Nike until 2030, and an excellent international broadcast rights deal for The Emirates FA Cup with IMG and Pitch International, until 2024.

We also embarked on a process of modernising the way we serviced the game in particular Safeguarding systems, Player Registration, Discipline Management and our Anti-Doping Programme. Importantly we also sought to work more collaboratively with the Professional Game to eliminate duplication of initiatives and to build consensus around supporting the England teams.

We have this year faced challenges.
The historic safeguarding cases are rightly under review from independent counsel.
The high profile nature of Mark Sampson's contract termination also proved to be an organisational and reputational challenge.

Next year we will focus on two key areas. Firstly, supporting the England team ahead of the 2018 World Cup Finals in Russia, both on and off the pitch and, secondly, continuing to implement The FA's four-year Strategic Plan, *Unite the Game, Inspire the Nation,* to bring English football closer together.

The FA is in a strong position to accelerate investment in the game from grass roots to the professional end of the game and to fulfil our mission of making football, genuinely For All.

STRATEGIC OBJECTIVES

1. **England Teams Winning**
   We have made demonstrable progress across the development team landscape for both men and women. In an extremely successful summer, the men's U20 team won the FIFA World Cup, the men's U19 team won the UEFA European Championship and Women's team reached the semi-finals of the 2017 UEFA Women's Euros. This shows that the investment in St. George's Park and the England coaching structures is now paying dividends and this is borne out not only in these tournament successes, but the increased qualification of the development teams for international tournaments over the 2017/18 season.

   Following the full report of an investigation into events during Mark Sampson's time as manager of Bristol Academy which came to the attention of the current FA leadership, on 20 September 2017 Mark Sampson's contract as England Women's senior team head coach was terminated. Mo Marley was appointed as interim replacement. Given her vast experience and in-depth knowledge of the women's game, we believe Mo is the right person to guide us through this time.

2. **World leading education**
   There has been slow progress in both delivering on grassroots coach qualification numbers and ensuring the right quality service to the professional game. However, there has been significant progress in updating and improving content across the FA education qualifications and modernising the tutor workforce.

3. **Doubling the women's game**
   Year one has been a transitional planning year. The number of women's and girls' teams has both increased year-on-year, by 6% and 9% respectively. Likewise attendances in the Women's Super League ('WSL') have risen 5% year-on-year (2015/16 season vs 2014/15 season) in WSL 1 and 30% in WSL 2. A great deal of planning and capacity building has been undertaken and the next twelve months will be crucial to assess whether the strategy of building the Lioness brand to drive engagement in a number of targeted intervention programmes will be a success.

   As a result of a review into the WSL/Competitions it was announced that from the start of the 2018/19 season the current WSL 1 will be expanded to a top tier of up to 14 teams with full-time professional players. A new national league will be established at tier 2 of the pyramid for up to 12 semi-professional teams. These changes are vital in helping us shape the future of the elite end of the women's game.

   In August 2017 we announced our intention to bid to host the 2021 UEFA European Women's Championship. Hosting a major European tournament could have a significant effect on growing and developing women's football in England. We know that we could host a tournament that would celebrate women's football as well as inspiring the next generation of female footballers.

4. **Playing opportunities for everyone**
   We work closely with Sport England to shape an investment strategy with Sport England in the next 12 months, and ideas such as the large direct club investment programme need further business development. Steady progress has been made on facility investment.

   The 7% year-on-year growth in mini-soccer teams continues to be the success story following on from the 2011/12 Youth Review changes.

Strategic report
Chief Executive Officer's review of the year

The 11% year-on-year decline in adult 11-a-side remains in-line with insight concerning changing participation trends and demands. The success of the People's Cup is supported by the fact that 57% of respondents agree the competition has made them think about playing more football.

We have invested £2.5m into the Grow the Game scheme during the 2016/17 season, enabling the creation of 1,672 new football teams across the country. This includes 186 disability teams and for the first time in its history, the initiative has enabled the creation of more female teams (729 teams) than male teams (713 teams and 44 mixed).

Numbers of referees in the grassroots game remains on the increase despite sporadic bursts of negative focus on 'Respect' issues in the game. Safeguarding was the single biggest challenge to grassroots football this year. The impact of the exposure has been to force a tightening of the rules, their adoption and reporting. This has demonstrated the value of the Whole Game System which allows us to have a direct electronic relationship with clubs and counties and highlights the importance of up to date data for running the game.

5. **Direct engagement**
   There has been good progress from a standing start, identifying and engaging partners and releasing the first wave of products. The real value of the work will come through in the next 12-24 months as we see the power that a single data source driven by engaging platforms and content can provide. This will need a strong delivery focus.

6. **Trusted and efficient**
   The decision to separate out Professional Game Services and Legal and Governance has been effective. There is now a much greater sense of a service culture with Professional Game administration and two successful registration windows have been completed. The Emirates FA Cup has had a brilliant year with over 82 million domestic viewers across the tournament and there is much greater open dialogue with the clubs and leagues. On the regulatory side, several high profile incidents have been handled well, but challenges remain with transparency, timing, communication and independence of decision making.

In an extremely successful summer, the men's U20 team won the FIFA World Cup, the men's U19 team won the UEFA European Championship and Women's team reached the semi-finals of the 2017 UEFA Women's Euros.

7. **World class venues**
   Both Wembley Stadium and St. George's Park continue to operate well. Wembley Stadium has seen a number of high profile events in its tenth year, welcoming over 2.5 million spectators and maintaining its iconic status. Wembley faces challenges including; the Club Wembley renewal process and the need for capital investment in the facility. At St. George's Park, after five years the 'purpose and status' of the National Football Centre seems to be really taking root, not least thanks to recent England development team success.

STRATEGIC ENABLERS

1. **Recruit, retain and develop excellent people who are proud to serve the game**
   Establishing our internal recruitment arm has proven very successful with in excess of 230 roles recruited this season. We have refocused the workforce on frontline football (up to 65%) and improved our gender diversity (up 3% to 33% female workforce). Our continued investment in organisational culture is realising benefits with key survey results continuing to move in the right direction e.g. staff overall satisfaction levels continue to increase, raising to between 6.5 and 7 out of 10 in the regular pulse survey.

2. **Use research, insight and measurement to better understand and anticipate the needs of the game**
   We have introduced new business management rigour with the establishment of The FA's Project Management Office (PMO). The quality of our Research and Insight team has been recognised by being awarded the Market Research Society's "Best In House" Team and is regularly asked by Sport England and UEFA to share its methodology and learning.

3. **Operate from a strong financial and commercial base to ensure we can invest in the game where it needs it most**
   Even factoring in challenges in other revenue areas solid foundations have been laid for the coming years with the renewal of the Nike and The Emirates FA Cup sponsorship deals and both the domestic and international The Emirates FA Cup broadcast deals. Revenue generated from The Emirates FA Cup overseas broadcast distribution agreements is significantly greater than any historical deal. To complement this we have instilled a more comprehensive approach to cost control within the organisation with the introduction of the Spend and Deal committee. Over the past season this committee has reviewed 140+ individual business cases ensuring that they deliver value for money to the business.

4. **Communicate positively, pro-actively and consistently to promote opportunity and celebrate excellence**
   Our new "For All" brand launch in March 2017 has achieved great traction with 20 million views of the launch videos. Our new communications strategy has framed a more positive and transparent approach to communications, which is being exhibited during the current internationals/tournament window.

CONCLUSION

The 2016/17 season was about establishing a new strategic framework and brand. As we enter the new season these platforms, aligned to stable leadership and a new communications approach, allow us to tell a better story about the positive impact that The FA can have under our new banner For All.

The FA is in a strong financial position and we are on course to meet our long-term strategic objectives. Over the past twelve months we have made significant changes to make The FA a more modern and progressive organisation. This will stand us in good stead for the year ahead.

PLAYING OPPORTUNITIES FOR EVERYONE

Playing opportunities for everyone in a rapidly changing game.


The FA
ST. GEORGE'S PARK
SHEFFIELD GRAVES

Strategic report

Results in the 2016/17 season

England Men's Senior Team

Slovakia 0-1 England – in Trnava on 04 September*

England 2-0 Malta – at Wembley on 08 October*

Slovenia 0-0 England – in Ljubljana on 11 October*

England 3-0 Scotland – at Wembley on 11 November*

England 2-2 Spain – at Wembley on 15 November

Germany 1-0 England – in Dortmund on 22 March

England 2-0 Lithuania – at Wembley on 26 March*

Scotland 2-2 England – in Glasgow on 10 June*

France 3-2 England – in Paris on 13 June

*FIFA World Cup 2018 Qualification

England Women's Senior Team

England 0-0 France – in Doncaster on 21 October

Spain 1-2 England – in Guadalajara on 25 October

Netherlands 0-1 England – in Tilburg on 29 November

England 0-1 Norway – in La Manga on 22 January

England 0-0 Sweden – in Murcia on 24 January

England 1-2 France – in Pennsylvania on 01 March^

USA 0-1 England – in New Jersey on 04 March^

Germany 1-0 England – in Washington D.C on 7 March^

England 1-1 Italy – in Stoke-on-Trent on 07 April

England 3-0 Austria – in Milton Keynes on 10 April

Switzerland 0-4 England – in Biel on 10 June

Denmark 1-2 England – in Copenhagen on 01 July

England 6-0 Scotland – in Utrecht on 19 July**

England 2-0 Spain – in Breda on 23 July**

Portugal 1-2 England – in Tilburg on 27 July**

England 1-0 France – in Deventer on 30 July**

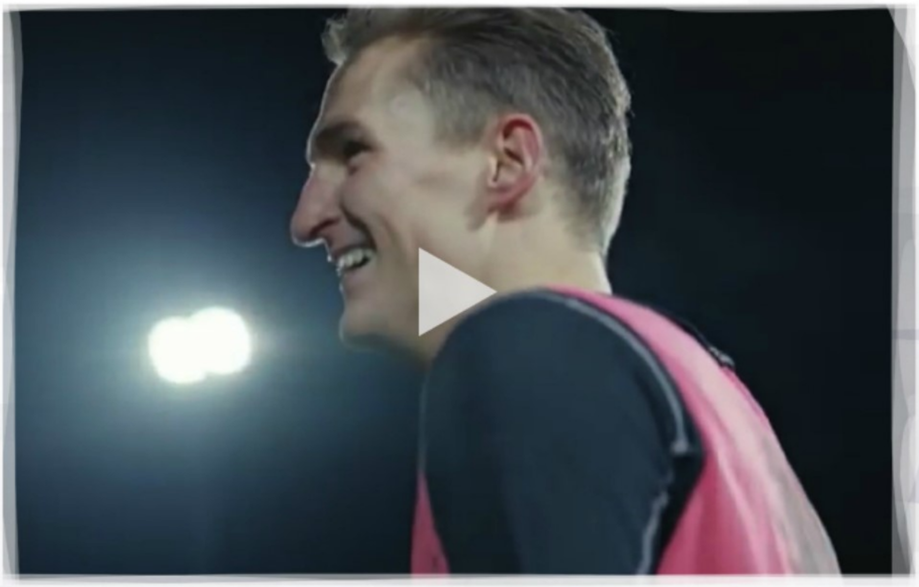
Netherlands 3-0 England – in Enschede on 03 August**

**UEFA Women's Euro 2017 Finals
^The SheBelieves Cup

For All

Casey Stoney: Life of Football

Jack Blackwell: Road to England



Strategic report
Principal risks and uncertainties

Attached to each strategic objective and enabler are a number of potential risks and uncertainties which could have a significant impact on the Group's long-term performance. There is an established Risk Management process in place. The Group's Senior Management Team and the Board review existing risks and identify new risks on a quarterly basis. Suitable controls are implemented and action plans are established to mitigate risks. Both the risks to achieving the strategic priorities and financial risks are also reviewed through this process. These risks and uncertainties and the related controls and plans are monitored by the Group Audit Committee on a regular basis.

Strategic risks
The FA as a modern, dynamic organisation
To rebuild The FA as a world class, modern, dynamic organisation fit for the 21st century underpins the Group's other strategic priorities. A failure to achieve this would have a significant reputational impact and threaten our ability to regulate and administer the game credibly, devalue the commercial assets of the Group and undermine our drive to increase participation through developing grassroots facilities and improving the coaching structure.

Our strategic priorities for 2016-20 focus on seven key objectives and four enablers and demonstrate a commitment to improving the perception of The FA as an effective and professional organisation for the greater good of English football.

Effective and respected regulation and administration of football
The continuation of robust governance procedures for the game is key to maintaining levels of participation and our reputation. The FA Rules and Regulations, including specific policy areas, are reviewed annually. There is an on-going review of disciplinary and anti-doping frameworks to ensure these are sustainable and remain up to date.

Incidences of match fixing undermine our reputation and impact negatively on participation. A robust framework of rules and regulations is in place, supported by the Group's integrity unit. A tariff has been established for non-reporting of approaches and other integrity matters. An education programme on match and spot fixing and betting has also been implemented, and the rules strengthened around participant betting.

Sustainable and successful commercial assets of The FA
There is a risk that the Group's key commercial assets, including The Emirates FA Cup, the England senior teams, Wembley Stadium and St. George's Park, become devalued, which would have both a reputational and financial impact.

The Group has focussed on securing long-term contracts with multiple commercial partners across each of the Group's main commercial assets, with the vast majority of agreements secured through until at least July 2018. A number of these contracts including the broadcasting rights of The Emirates FA Cup were extended domestically to 2021 and internationally to 2024 demonstrating the strengths of these assets. The Commercial Programme is regularly revisited to mitigate the risk that The FA's assets are not being maximised.

Wembley Stadium continues to host a number of world class events making this an attractive asset with commercial value to the Group.

Occupancy rates of the hotel and usage of the facilities at St. George's Park continue to remain strong and consistent with previous seasons.

Grassroots facilities and participation at all levels
Achieving the established targets for participation are key for the Group and failure to do so could impact on our reputation, our funding from Sport England and the attractiveness of the Group's commercial assets. The Group is committed to increasing the provision of grassroots facilities available to all through the 'Parklife' project.

The first of up to 150 football hubs to be built across 30 English cities was opened in Sheffield in 2016. Additional hubs in Liverpool, Ealing and Eastleigh and Southampton are due to open during the 2017-18 season. The creation of all-weather 3G artificial grass pitches using a sustainable model of investment, ownership and management is at the heart of our participation priority.

In the 2016/17 season The FA launched its 'Game plan for Growth' to enable it to grow participation of the Women's game and create a sustainable and successful high-performance system to ensure England teams compete with distinction on the world stage at every age group.

The FA continued to host The FA People's cup in the 2016/17 season. This is a five-a-side competition which welcomes male, female and disability players across 16 categories, ranging from U14s through to veterans and saw 40,000 participants.

An effective FA coaching structure
A failure to deliver the increased number, status and standard of coaches required to create a more effective FA coaching structure represents a reputational risk for the Group as well as having an impact on participation and ultimately the success of the England national teams.

The FA continues to invest into grassroots coaching. There will be a network of County Coaches, tasked with improving and supporting coaching across grassroots football with club mentoring programmes. The extension of coach bursaries aims to get more women and people from diverse backgrounds into the profession and there will be a drive to get more top level grassroots coaches into the game

International tournament success
The number of English qualified players playing at the top end of English football continues to decline, presenting a risk to the success of England teams at all levels. The potential solutions identified by The FA England Commission continue to be explored and the focus of the new strategic priorities on the number, status and standard of coaches, the improvement of grassroots facilities and the number of people playing football are expected to increase the quality and number of English qualified players available for selection for the England teams.

We have a talented youth development programme, demonstrated through our successes in the various tournaments in 2017. This success included winning the men's U20 World Cup, Toulon Tournament and men's U19 European Championships. Both the men's and women's U17 teams were runners up in their respective European Championships. Whilst the England men's senior team have qualified for the World Cup in 2018 and the women's senior team reached the semi-final of the European Championships there will always be an intense focus on their performance.

Safeguarding of participants
The FA has a duty to protect children or vulnerable participants in the game. Given the recent high profile historical cases of abuse within a number organisations and sports including football the safeguarding of participants presents a significant risk to The FA.

We have established controls and a clear framework to mitigate this risk in relation to both historical cases of abuse and our current duties.

In regards to historical cases we have established clear reporting procedures including setting up a hotline with the NSPCC to report historical cases. We have effective relationships with police, local authorities, football clubs and other organisations affiliated with football. Clive Sheldon QC has been appointed to lead an independent review of The FA's current and historical safeguarding policies and procedures.

The FA has a team of safeguarding professionals who have put in place preventative measures via policy, education, best practice and support for the network of people acting as Designated Safeguarding Officers ("DSOs"). There is a network of 8,500 DSOs in the professional game and grassroots football. Alongside this we have a specialist team who manage referrals and concerns and work with statutory agencies in relation to investigations and put in place safeguards, including suspensions from football activity where necessary, to manage people who pose, or may pose a risk of harm.


THE NATIONAL ANTHEM
PERFORMED BY
Fly Emirates

WORLD CLASS VENUES

Wembley Stadium and St. George's Park as inspirational venues.

Strategic report
Principal risks and uncertainties

The FA continues to invest into grassroots coaching. There will be a network of County Coaches, tasked with improving and supporting coaching across grassroots football with club mentoring programmes.

55,000 criminal record checks are carried out across the game each season, to screen out anyone who seeks to work in football who may pose a risk of harm. 35,000 coaches and referees attend The FA's safeguarding children awareness course each season. Additional welfare officer training is provided to DSOs in the grassroots game and bespoke training is delivered by the Premier League and English Football League ("EFL") with their respective clubs.

Data privacy and cyber security
As the organisation becomes more dependent on technology to perform its activities the risks associated with data privacy and cyber security increase. Failure to comply with data privacy regulations and standards or weaknesses in information security, including failing to prevent or detect a malicious attack on our systems, could result in a major data privacy breach causing reputational damage to the organisation and financial loss.

We have established a Data Governance Board which has created a specific risk register and mitigating controls to mitigate these risks. These controls include an ongoing review of cyber security essentials and ensuring that these are appropriately implemented alongside the ongoing engagement of third party specialists to test the IT security infrastructure we have in place is appropriate and implementing additional controls where required.

We have established a committee with a specific focus on assessing the risks associated and ensuring compliance with the General Data Protection Regulation ("GDPR").

Behaviour of England supporters
The behaviour of a small minority of England supporters may lead to widespread negative media coverage. This anti-social behaviour of some England fans whilst supporting England both at home and overseas may cause reputational damage to The FA and result in sanctions and fines.

We have proactive incident communications protocols in place which directly address the fans and media when incidents such as this occur. The FA will revoke membership of travelling supporters for inappropriate behaviour. The FA is currently working with relevant experts for the 2018 FIFA World Cup to address the risk of anti-social behaviour.

Financial risks
Commercial revenue
One of the most significant uncertainties for The FA is the future value of its main source of commercial revenues, being broadcasting and sponsorship rights. These are typically re-negotiated and sold on a four year cycle. Broadcasting, sponsorship and licensing revenues accounted for 59% of the Group's turnover in the year. Both domestic and

international broadcast agreements are secured through to July 2021 and July 2024 respectively.

A significant number of commercial contracts are due to complete in July 2018. This presents a clear risk and The Group is dependent on market conditions, the perception of the performance of the England senior men's team, the appeal of The Emirates FA Cup and the ability to fill Wembley Stadium.

The FA has renewed a number of key contracts including The Emirates FA Cup domestic broadcasting rights to 2021, international broadcasting rights to 2024 and naming rights to 2020. In addition the long-term partnership with Nike has been extended through to 2030. The commercial focus over the 2017/18 season will be to sell the remaining rights expiring after July 2018 alongside looking for new ways we can derive commercial value from our assets.

In addition to the contract and term risks identified above, there is also a significant credit risk due to the potential size of the agreements. The risks are heightened when dealing with overseas territories and broadcasters. To mitigate against the credit risk the following actions are taken:

- due diligence is performed on all potential partners;
- payment terms are negotiated so that cash is received in advance of rights issued;
- bank guarantees or letters of credit are secured as appropriate; and
- annual due diligence is performed on all significant commercial agreements.

Club Wembley revenue represented 16% of the Group's turnover in the year. Club Wembley box and premium seats had been contracted for an average of eight to ten years respectively. The majority of these licences expired in July 2017.

The renewal of these box and seat licences for the current season and future seasons presents a commercial risk to the organisation. The renewals of box licences remain consistent from prior seasons and sales of seat licences remains a focus for management.

Borrowing
In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, The FA has borrowings in place. In October 2015, The FA put in place a new £300 million loan facility provided by Barclays, HSBC and Santander(£100 million term loan expiring in October 2018 and £200 million revolving credit facility expiring in October 2022), replacing the previous facility which was in place to finance the construction of Wembley Stadium. The terms of the borrowing arrangements include certain financial covenants, which are forecast to be achieved based on the Group's projections. While significant headroom is projected over the covenant targets, a dramatic downturn in the Group's performance could result in default of these covenants. This scenario is considered unlikely as currently significant headroom is projected and the Group also has the potential to reduce discretionary expenditure. However, given the quantum of the amounts borrowed, this remains a risk for the Group.

Inability to stage an event at Wembley Stadium
A major incident could have an impact on the ability to host an event at Wembley Stadium or affect people's willingness to attend matches and events. Such an incident could have the potential to significantly disrupt the operation of the business and could have an adverse effect on the Group's revenues. This risk is managed by having appropriate insurance cover, an effective business continuity plan in place and prevention measures such as increased security screening.

Mitigating factors
It should be noted that 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 which can be reduced without breaching legal commitments.

Strategic report
Corporate social responsibility

In 2016, the Bobby Moore Fund for Cancer Research UK was selected to be The FA Group's Official Charity Partner until the 2018 World Cup. It was chosen to commemorate the 50th anniversary of England winning the World Cup in memory of England's most successful captain. FA staff members have raised money for the charity by participating in sports challenges, holding bucket collections at England international games and taking part in the Bobby Moore Fund's biggest fundraising event of the year, Football Shirt Friday, at Wembley and St George's Park. In March, The FA supported the Bobby Moore Fund's 'Moore to Know' campaign at the England vs Lithuania FIFA World Cup Qualifier at Wembley Stadium. The campaign, which involved a number of current and former England men's senior team internationals, was shown on the LED screens in the stadium and in the official fan zone. It also featured prominently in the match day programme.

The FA makes an annual distribution of money raised from the Community Shield season opener at Wembley with funding going towards charitable causes, grassroots football and community projects. This year, the Community Shield Distribution Committee donated £66,000 to the Bobby Moore Fund as The FA's Official Charity Partner and also gave the charity a £25,000 grant to hold Bobby Moore Fund Walking Football Festivals across the country. Additional charities that have received donations from the fund include Breast Cancer Care, The Sir Bobby Robson Foundation and the Royal British Legion.

The FA Group is committed to working closely with the local community around Wembley Stadium in order to ensure that the opportunities and benefits of the stadium are shared with the wider community. The Wembley Stadium Learning Zone exists to provide a community space within the stadium, predominantly delivering educational workshops to young people, with almost 7,000 young visitors last year - in addition to the space being used for a wide range of other purposes. Last season, the Learning Zone hosted a wide range of community events, such as the 10 years of Wembley VIP tour for local schools; a Sporting Memories event to help elderly citizen's battle dementia, depression and loneliness; a London Football Journey's celebration event and Brent's Community and Voluntary Sector AGM. The Learning Zone has also worked with Brent Council's Inclusion Team to host events such as Brent Autism Outreach Team's Transition Days; Young Carers Consultation panels and pilot projects to address Looked after Children's engagement in education; and provided access to children with higher level needs from Special schools.

Over the course of the season, Wembley also donated more than £1 million to the Wembley National Stadium Trust, which is part of the deed of covenant signed in respect of the £120 million lottery funding that was provided to aid with the original build cost of the stadium through Sport England.

The donations are used to fund a wide range of community sports projects within Brent, London and across England. Grants approved locally by the Trust this year include £2,160 to Brent Ballers Basketball Club towards the cost of additional coaching sessions and £10,000 to Wembley Sailing Club to help them purchase new sailing vessels. The Trust also announced grants totalling over £1 million over three years to 25 EFL club community trusts across England to run a major programme of disability football activities; and a further new initiative in London, providing £675,000 over three years through the national governing bodies of cricket, netball and hockey, to encourage more young girls to get involved in team sports.

Environmental policy

As other venues make significant strides to develop their own sustainability credentials, Wembley Stadium aims for continuous improvement to maintain a best-in-class status.

Wembley has picked up numerous industry awards in recognition of the progress that is made year-on-year. These included Industry Green Awards as well as becoming the first sports organisation to achieve the Carbon Trust treble, denoting excellence in managing the impacts of energy use, water use and waste production at the Stadium.

Wembley is a zero-waste-to-landfill venue and we continuously look to reduce our waste impact and ensure we use resources as efficiently as possible.

Approved by the Board of Directors and signed on behalf of the Board on 29 November 2017.

Martin Glenn
Chief Executive Officer
The Football Association

ENGLAND TEAMS WINNING

England men’s and women’s senior teams prepared to win.

Strategic report
Financial review

Highlights

Revenue:

£351.2m

(2016: £369.7m)

Investments into the game:

£126.6m

(2016: £125.3m)

Profit after tax:

£16.3m

(2016: £7.1m)

Investments into the game

The key financial metric of the Group is the amount invested back into the game. During the 2017 season the Group invested £126.6 million into the game, surpassing the previous record of £125.3 million invested in 2015/16. The investments into the game are critical in supporting The FA's strategic priorities. Among other areas, the Group increased its investments into coaching and participation in 2017.

Investment in coaching and participation increased by 8% with investment in all other areas remaining consistent with last season. A breakdown of the current season's investment is as follows:

Investments into the game

	2017 £'m	2016 £'m	Change £'m
Coaching & Participation	**13**	12	1
County FAs	**17**	17	–
Disability, Equality and Child Protection	**4**	4	–
FA Competition prize funds	**36**	36	–
Facilities	**12**	12	–
Other football organisations (*)	**18**	18	–
Female football development	**5**	5	–
Parklife	**10**	10	–
Other Investments	**12**	11	1
	127	125	2

*Other football governing bodies include English Football League, Professional Footballers' Association and Professional Game Match Officials

The FA continues to invest £22 million to further its strategic priority in relation to "playing facilities for all". These funds are distributed to The Football Foundation which manages a number of facilities schemes including grants to refurbish grassroots facilities and creation of football hubs under the 'Parklife scheme'. The Sheffield Parklife hub opened during the 2016/17 season with hubs in Liverpool, Ealing, Eastleigh and Southampton planned to open during the 2017/18 season.

£5 million was invested in women's football to support our strategic priority to double participation in the women's game.

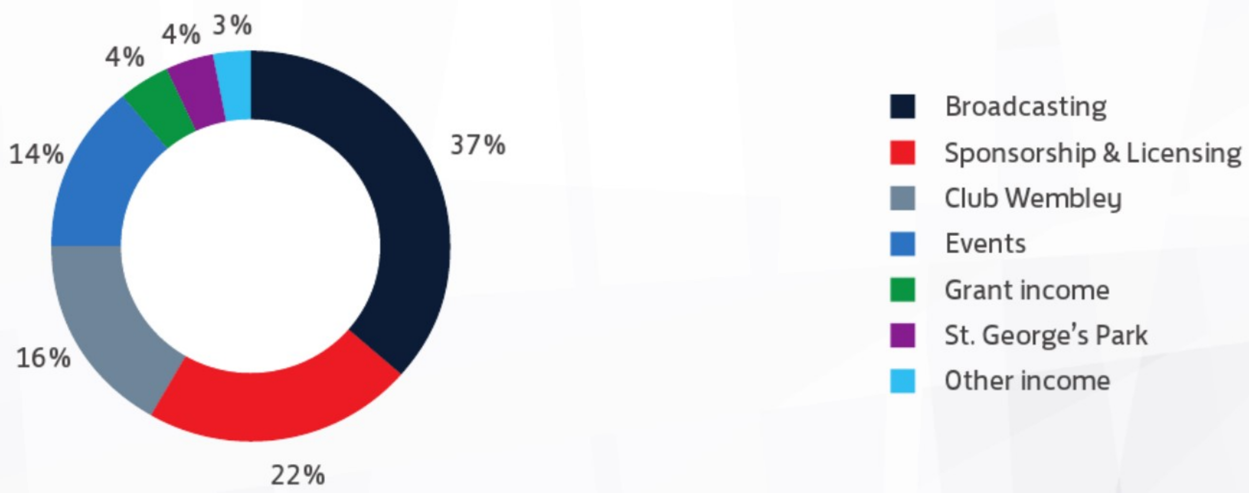
The FA recognised £8.7 million of grant income during the 2016/17 season from Sport England, UEFA and FIFA. This was invested as follows:

Grant income

	£'m
Coaching & Participation	4.7
County FA's	2.6
Disability, Equality and Child Protection	0.4
Facilities	0.2
Female football development	0.8
	8.7

Financial performance

The FA generated turnover of £351.2 million during the current season. This was a reduction of £18.5 million compared to the 2015/16 season, driven primarily by the 2016/17 season being a men's senior non-tournament year which typically results in lower turnover from broadcasting, events and lower prize funds received. Turnover is categorised as follows:



Strategic report
Financial review

Broadcasting and sponsorship are the greatest contributors of revenue to the Group providing £208.2 million of income (2016: £211.5 million). The reduction in this revenue stream of £3.3 million was solely due to the 2015/16 season being an England senior men's tournament year. Additional games were held in the prior season as part of the build up to the UEFA Euro 2016 tournament.

The FA has been successful in renewing a number of key agreements due to expire in July 2018. Notable extensions include the domestic The Emirates FA Cup broadcasting with BBC and BT Sport to July 2021, International The Emirates FA Cup broadcasting with Pitch and IMG to July 2024, Nike as kit sponsors to July 2030 and Emirates as lead sponsors of The Emirates FA Cup to July 2021. These extensions provide financial stability to The Group and provide additional financial resources in order to achieve its strategic objectives.

A strong events calendar helped Club Wembley generate income of £58.2 million (2016: £56.5 million) an increase of £1.7 million resulting from increased hospitality income. In 2017/18, Wembley Stadium relaunches the new Club Wembley membership programmes. Sales and renewals of this new product offering remain a focus.

Events held at Wembley stadium generated income of £49.4 million (2016: £55.9 million). The reduction of £6.5 million was a result of the reduction in the number of events held at the stadium from 36 in 2015/16 to 32 in 2016/17. Fewer England Men's senior games were played at Wembley compared to 2015/16 due to the 2016/17 season being a non-tournament year. Notwithstanding this, Wembley Stadium continued to build on the successes of previous seasons and hosted a strong events calendar. Notable events include the Joshua v Klitschko world title fight, Adele, The Stone Roses and Jeff Lynne's ELO, Tottenham Hotspur UEFA Champions' League group games, two NFL fixtures and the Semis and Final of The Emirates FA Cup.

Turnover generated from St George's Park decreased by £2.3 million from £16.0 million in 2015/16 to £13.7 million in 2016/17. Turnover from St George's Park predominantly relates to the Hilton hotel and hire of the facilities. Whilst occupancy rates remain constant year on year, the 2015/16 season saw a greater number of teams who hired the facility including countries participating in the 2015 Rugby World Cup.

Other income predominantly relates to tour and retail income generated from Wembley Stadium alongside competition prize money. This fell by £8.6 million from 2015/16 to £8.8 million as a result of the fall in prize money being received due to participation in fewer international tournaments.

The FA recognised £8.7m of grant income during the current season from various public sector funders and sporting organisations, including Sport England, UEFA and FIFA. These contributions were utilised in a way that contributed to the record investment back into the game, including £4.7 million invested in coaching and participation, £2.6 million in County FA's and the remaining £1.4 million across a number of other areas. £4.1 million of grant income was recognised in relation to historical capital funding grants received for construction of Wembley Stadium and St George's Park.

The FA incurred £196.3 million of operating costs during the season (2016: £215.5 million). The reduction of £19.2 million primarily relates to £8.1 million cost savings due to this season being a non-tournament year, the non-occurrence of severance costs which occurred in 2015/16 of £2.5 million. In addition a retranslation loss of £11.9 million was recognised in 2015/16 compared to a loss of £1.2 million in 2016/17.

The FA continued to see the benefits of the restructuring of the Group debt in 2016 which resulted in lower interest costs of £7.5 million (2016: £14.3 million) a reduction of £6.8 million in the current season.

The Group's tax charge has increased by £1.0 million to a charge of £4.6 million, reflecting the increase in profit before tax in the 2016/17 season.

An actuarial gain of £5.0 million (2016: £2.3 million loss) on the remeasurement of the Group's final salary pension scheme was recognised in other comprehensive income.

During the current season the Group adopted hedge accounting on certain foreign exchange derivatives to manage foreign exchange exposure arising on cash flows on contracts denominated in non-sterling currencies. Any foreign currency derivative contracts which were entered into during the 2016/17 season were designated as hedged items. The Group hedged $166.3 million and €28.3 million of future cash receipts. A revaluation gain on these contracts of £3.0 million was recognised through other comprehensive income during the current season (2016: £nil).

As a result of these adjustments, total comprehensive income in the 2017 season of £24.4 million (2016: £4.8 million) was recognised.

Financial position

The net assets of the Group as at 31 July 2017 have increased by £24.3 million over the previous twelve months, to £146.2 million (2016: £121.9 million).

Wembley Stadium and St. George's Park are the Group's key tangible fixed assets. Tangible fixed assets decreased by £18.2 million to £571.8 million (2016: £590.0 million). The decrease represents the annual depreciation charge partly offset by fixed asset additions.

The Group has total debtors of £61.5 million (2016: £45.6 million), which primarily relates to amounts owed from sponsors, broadcasters and Club Wembley members.

The main liabilities on the statement of financial position are the Group's banking facilities and the finance lease obligations on the sale and leaseback facility for the hotel at St. George's Park. The amount drawn down on the revolving credit facility ("RCF") and term loan amounted to £142.0 million (2016: £195.0 million). The Group manages the RCF on a monthly basis in order to meet the cash requirements of the Group. The Group's term loan of £100 million is due for repayment in October 2018 and the RCF expires in October 2022. The outstanding obligation under the finance lease for St. George's Park is £49.6 million (2016: £49.8 million).

At 31 July 2017, net debt of the Group was £150.5 million (2016: £173.9 million). This comprised £139.4 million of bank borrowings net of capitalised borrowing costs, £49.6 million relating to the St George's Park finance lease net of £38.5 million cash. The movement in net debt is as a result of increases in cash generated by operations.

Covenant compliance certificates are provided to the bank every six months. There is significant headroom on the covenants attached to the banking facilities.

Cash flows

During the year there was a net decrease in cash of £29 million to £38.5 million (2016: £67.4 million). There was a net cash inflow in the year from operating activities of £47.5 million (2016: £16.2 million). This increase was as a result of timing differences in the receipt of significant contractual broadcasting and sponsorship payments. A significant reduction in the Group's cash was in relation to the financing activities. The Group made net interest payments of £6.4 million (2016: £10.7 million) and made repayments on the Group's borrowings of £53.0 million (2016: £251.6 million). Key movements in investing activities related to £16.9 million (2016: £6.4 million) purchase of tangible fixed assets. A foreign exchange gain of £0.1 million was recognised in the current season.

Mark Burrows
Chief Financial and Operating Officer
The Football Association

Directors' report

The directors present their annual report on the affairs of the Group, together with the financial statements and auditor's report, for the year ended 31 July 2017.

As permitted under section 414C(11) of the Companies Act 2006, the following disclosures required by regulations made under section 416(4) have been included in the Strategic Report and form part of this report by cross-reference:

- Financial risk management objectives and policies including liquidity and financing (refer to the Principal risks and uncertainties section); and
- Events which have occurred since the end of the financial year (refer to the Chief Executive Officer's review of the year section).

Going concern
The directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in Note 1 (c) to the financial statements.

Dividends
In accordance with The FA's Articles of Association, no share shall entitle the holder thereof to any payment in respect of a dividend.

Equal opportunities
The FA Group actively promotes equal opportunities in employment and welcomes applications from all sections of the community. We are committed to inclusive practices and treating all applicants, employees and participants fairly, regardless of age, gender, race, nationality, ethnic origin, colour, sexual orientation, gender reassignment, marital status, religion or belief, ability or disability.

The FA's commitment is to work in partnership with all the football bodies and campaign groups such as Kick It Out to implement a zero tolerance policy to discrimination in all its forms.

The FA Group is committed to equality monitoring of its employees and we are in the process of implementing an online system to collate the relevant data to inform our inclusion practices and to identify areas of support that are required for the workforce.

The FA Group has an Inclusion Advisory Board with a remit that includes advising The FA on widening diversity in The FA Group's wider football workforce.

Disabled employees
Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group and the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to 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, an employee consultation forum, staff surveys and a recently enhanced staff intranet.

Governance statement
The FA receives funding from Sport England and is therefore subject to the Tier 3 requirements of A Code for Sports Governance (the "Code"). The FA has committed to becoming fully compliant with the Code. This governance statement is prepared as part of the Code requirements and outlines The FA's progress to date.

The Governance Framework of The FA

(i) The Board

The Board is the primary decision-making body within The FA and is responsible for The FA's overall strategy, all financial matters and oversees operating and financial performance and the system of internal control.

The Board comprises 10 directors, being the Chairman, the Chief Executive Officer, three non-executive directors from the National Game, three non-executive directors from the Professional Game and two independent non-executive directors.

Independent Non-Executive Chairman: Greg Clarke

Greg became the Independent Chairman of The Football Association in August 2016. Greg has a wealth of football experience, having spent six years as Chairman of the English Football League, prior to which he was on the Board and then Chairman of Leicester City FC. During a distinguished business career, he was CEO of Cable & Wireless, a former Chairman of the Met Office and a non-executive Board director of BUPA. Greg is currently Chairman of the FTSE 250 Company, Redefine International. Greg serves on the Nominations, Remuneration and Finance Sub-Committees.

Executive Director: Martin Glenn, Chief Executive Officer

Martin was named as The FA's Chief Executive Officer in 2015. Prior to taking up his role at The FA, he worked as CEO at United Biscuits, a £1 billion company, home to the McVitie's and Jacobs brands. Martin came to prominence during his time at Walkers Snack Foods in 1992, where he increased their market share from the mid-20s to more than 60%. He became company president in 1998 and ran the business until 2006, when he left to join Birdseye, which had been acquired from Unilever for £1.2 billion. In 2003, he was awarded Marketing Week's CEO of the Year, and in 2004 was voted the UK's most influential marketer by Marketing Magazine. An FA qualified grassroots coach, Martin is also a former Leicester City FC non-executive Director, having sat on the Club's Board between 2002 and 2006. Martin sits on the Women's Football Board and Finance Sub-Committee.

National Game Representatives

Robert Cotter

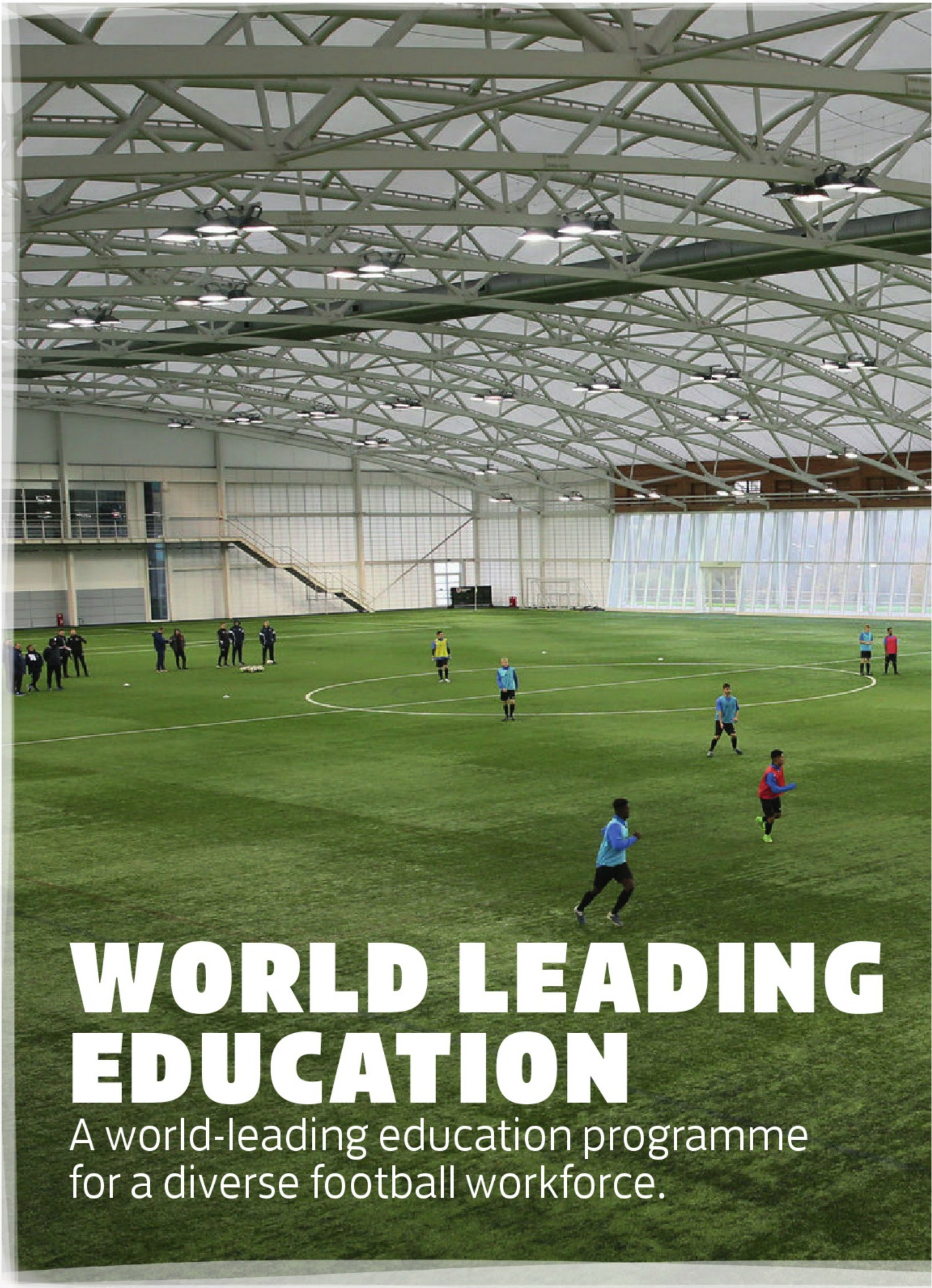
Bob was first appointed onto The FA Board in July 2016, having been appointed to The FA Council in 2009 as representative of Northamptonshire County FA. He is a member of the National Game Board and also serves on the Youth, Small-Sided, League Finance and Finance Sub-Committees. He is the Chairman of Northamptonshire County FA and a former primary school head teacher.

Mervyn Leggett

Mervyn was appointed onto the Board in 2010 and is a Vice-President and a Vice-Chairman of The FA, having previously been appointed onto The FA Council as the representative for Worcestershire County FA in 1992. He is Chairman of the National Game Board and the Health and Safety Committee and also serves on Women's Football Board, Nominations Committee, Women's Committee, Leagues' Committee and Facilities Committee. Mervyn also serves as a Trustee of The FA's National Sport Centre Trust and Benevolent Fund. Mervyn had a career in the sports insurance industry prior to being appointed as the Chief Executive of Worcestershire County FA, a position he stepped down from in 2012.

Jack Pearce

Jack was appointed onto the Board in 2015, having first been appointed as a Divisional Representative on The FA Council in 2001. Jack serves on the National Game Board, Remuneration Committee, Judicial Panel, League Finance Committee and Alliance Committee, the latter of which he chairs. Jack was formerly a player and manager of Bognor Regis Town and continues to serve the club as its General Manager and Vice-Chairman. Jack is a Board member of the National League and a Council member of Sussex County FA.



WORLD LEADING EDUCATION

A world-leading education programme for a diverse football workforce.

Directors' report

Professional Game Representatives

Peter McCormick OBE

Peter was appointed onto the Board and Council in August 2015 as a representative of the Premier League and also serves on the Professional Game Board, Nominations Committee, Protocol Committee and Remuneration Committee, the latter of which he chairs. Peter is Chairman of the Legal Advisory Group of the Premier League and Chairman of the League's Football Board, both Executive positions. Peter was Chairman of the Premier League in 2014-15. Peter chairs Tribunals and Appeals for the Premier League, Football Association and Professional Game Match Officials Ltd. He is Chairman of Football Stadia Improvement Fund Ltd, and a Trustee of the Football Foundation. Peter heads the Corporate and Commercial team at McCormicks Solicitors. He is an internationally recognised expert in Sports, Media and Entertainment Law. Peter is also a leading national figure in Charities Law and was awarded the OBE for services to charity on 1 January 2000.

Jim Rodwell

Jim was appointed onto the Board in July 2016 as a representative of the English Football League and has served on The FA Council since 2014. Jim is also a member of the Professional Game Board. He has been a Board Director of the English Football League since 2015 arising from his position as CEO of Scunthorpe United FC. Jim was previously the CEO of Nott's County FC and former Chairman of Boston Utd FC, a club he also served as a player.

Rupinder Bains

Rupinder Bains was appointed onto the board on 16 November 2017, jointly representing the English Football League and The FA Premier League. Rupinder is founder and Managing Director of the law firm Pinder Reaux & Associates Limited. The firm specialises in media, defamation and reputation management and sports law.

Independent Non-Executive Directors

Roger Devlin

Roger was appointed onto the Board in 2012 and brings a genuine passion for sport and football. In particular he was awarded a golf blue while reading law at Oxford, is Chairman of the business committee of the R&A and a member of the Racehorse Owners' Association. Roger was an executive director of Hilton International and Ladbrokes and now chairs a number of substantial companies including Satellite Information Services and Marstons the FTSE 250 pubs and brewery group. He has been a financial advisor to a number of Premier League clubs and demonstrates an excellent understanding of the business of football, as well as being a valued counsellor to St. George's Park. Roger serves on The FA's Group Audit Committee, Nominations Committee, Remuneration Committee and Finance Sub-Committee, the latter of which he chairs. Roger has been appointed by the Board as the Senior Independent Director.

Kate Tinsley

Kate Tinsley was appointed onto the board on 26 October 2017. Kate is currently the Chief Executive Officer of The Buildbase Group, a division of Grafton Group PLC with management responsibility in both the UK and Belgium. Prior to this Kate has served in senior finance roles at Saint Gobain, BSS PLC and Grafton Group PLC. As an FA qualified coach Kate is passionate about football and motivated by her desire to ensure that football is For All. This includes making sure that there are equal opportunities for people of all ages and backgrounds to play and enjoy football at all levels of the game.

The Articles provide the definition of independence for the independent non-executive directors and the Chairman. At the time of their appointment, the Chairman or independent non-executive directors shall not be a member of The FA Council or be an employee, director or officer, or have a material business relationship with an organisation within the football family. Three of the ten directors are independent in line with the requirements of the Code.

The Chairman and independent non-executive directors are appointed by the Council following a recommendation by the Nominations Committee and endorsement by the Board. The National Game directors are elected by the National Game Representatives on Council. The Professional Game directors are appointed by The FA Premier League (one director) and The English Football League (one director), with a further director being jointly appointed by both leagues. The Chairman, independent non-executive directors and National Game Representatives are subject to a maximum of three terms of three years. The Professional Game Representatives are appointed annually and are subject to a maximum of 9 years. The Board has the appropriate balance of skills, experience, knowledge and independence. The Board maintains a matrix detailing the skills, experience and knowledge required of the Board and appointments are made with reference to this.

There is a clear division of responsibility between the roles of Chairman and Chief Executive Officer. The Chairman provides strong leadership for the Board on all aspects of its role and maintains effective relationships with key stakeholders in football both domestically and internationally. The Chief Executive Officer has executive responsibility for delivering strategies and programmes in line with the Board's direction.

The FA has committed to carrying out an externally facilitated evaluation of the Board by April 2018. An evaluation of individual directors and Board committees will also be undertaken. Thereafter, Board evaluation will be carried out annually and externally facilitated every four years.

(ii) Board Committees
The Board is empowered to appoint committees, incorporating independent membership, as it considers appropriate. The committees of the Board are:

- The National Game Board (with a number of sub-committees);
- The Professional Game Board (with one sub-committee);
- Group Audit Committee;
- Remuneration Committee;
- Nominations Committee;
- Finance Sub-Committee;
- Inclusion Advisory Board;
- Women's Football Board; and
- Health and Safety Committee.

National Game Board
The National Game Board ("NGB") receives delegated authority from The FA Board to manage football right through from the grassroots level of the game up to the National League. This includes the development and implementation of the National Game Strategy and decisions on how funding allocated by The FA is spent and distributed within the National Game. The NGB comprises Brian Adshead, Bob Cotter, Mark Frost, Sue Hough, Neil Hope, Geoff Lee, Mervyn Leggett (Chair), John Little (Competitions Committees), Jack Pearce, Philip Smith, Mike Spinks (Schools Committees), John Topping and David Simpson. The NGB has a number of sub-committees with responsibility for specific matters within grassroots football.

Professional Game Board
The Professional Game Board ("PGB") receives delegated authority from The FA Board to manage football at the professional level of the game which includes the administration of The Emirates FA Cup and The Community Shield. The PGB has authority to determine how funding allocated by The FA is spent and distributed within the Professional Game. The PGB has one sub-committee, The FA Challenge Cup Committee which manages and controls The FA Challenge Cup competition. The PGB comprises Ian Lenagan (EFL), James Rodwell (EFL), John Nixon (EFL), Cliff Crown (EFL), Ivan Gazidis (Premier League) (Chair), Rebecca Caplehorn (Premier League), Peter McCormick OBE (Premier League) and Les Reed (Premier League).

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.

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

Directors' report

- governance, including risk management and internal control
- external audit arrangements
- internal audit arrangements
- the appropriateness of financial reporting
- compliance, whistleblowing and fraud

The GAC's remit includes all operations and activities undertaken by The FA Group, covering the consolidated Group and the individual entities: Football Association Limited, Wembley National Stadium Limited and National Football Centre Limited.

During the year the GAC was comprised of an independent chairman, Ian Nunn, alongside Roger Devlin (independent non-executive board director) and four independent members, Mary Reilly, Vijay Vaghela, Tim Score and Jill Ainscough. Sadly Ian Nunn passed away during the current season. Consequently Tim Score was appointed as chairman on 17 October 2017. The FA is grateful for the support and service Ian provided to the Company whilst Chairman of The GAC.

The independent chairman and independent members have no connections with The FA Group companies such as through a material business relationship or by representing a shareholder. As well as bringing independence and objectivity, these members are appointed onto the GAC in view of the skills, experience and professional qualifications they can bring to the role. The GAC typically meets four times per year, with one meeting including the review of the financial statements of the Group.

The GAC reviews reports from management, internal audit and external audit on the Group's (Football Association Limited and its subsidiaries) 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 preparation of the financial statements.

Remuneration Committee
The Remuneration Committee comprises Peter McCormick OBE (Chair), Roger Devlin, Jack Pearce and Greg Clarke. It is responsible for advising the Board on the pay and terms and conditions of the Chief Executive Officer, members of senior management and the Chair and non-executive directors of FA Group companies. In discharging its duties, the Remuneration Committee takes independent advice where appropriate. The remuneration policy is designed to attract, retain and motivate executive directors to deliver the business strategy. Remuneration arrangements for senior positions incorporate performance measures which link to the business plan and individual performance criteria.

Nominations Committee
The Nominations Committee comprises Greg Clarke (Chair), Roger Devlin, Mervyn Leggett and Peter McCormick OBE. It is responsible for identifying and nominating candidates for the positions of independent non-executive director and Chairman, succession planning within the Board and senior management and recommending to the Board the candidate for the role of senior independent director. The Committee uses the services of external recruitment consultancies and openly advertises the positions.

Finance Sub-Committee
The Finance Sub-Committee is chaired by Roger Devlin and comprises Greg Clarke, Bob Cotter, and Martin Glenn (with one Professional Game Director to be appointed). The Committee makes recommendations to the Board on the approval of key financial issues, including the annual budgets for The FA Group, the National Game and Professional Game, The FA Group's cash forecasts and medium term financial plan.

Inclusion Advisory Board
The Inclusion Advisory Board ("IAB") was established in 2013 and provides advice to the Board in respect of inclusion matters, including ensuring that inclusion and equality is at the core of everything The FA does. The IAB is chaired by Paul Elliott and comprises Peter

Clayton, Graeme Le Saux, Shelley Alexander, Rimla Akhtar, Rishi Jain, Chris Ramsey, Colin Chaytors and Hannah Dingley, who are each independent from The FA and bring knowledge and experience of inclusion, equality and anti-discrimination matters.

Women's Football Board

The Women's Football Board ("WFB") manages all strategic and operational matters relating to women's and girls' football within the policy framework and budget set by the Board. This includes the management of The FA Women's Super League. The WFB is chaired by Sue Hough MBE and comprises Mervyn Leggett, Elaine Oram, Martin Glenn, Shelley Alexander, Kelly Simmons, Hope Powell, Dr Robina Shah, Thura Win and Elizabeth Jenkin.

Health and Safety Committee

The Health and Safety Committee is responsible for overseeing health and safety matters within The FA Limited and to ensure that The FA is discharging its statutory and regulatory obligations. The Committee is chaired by Mervyn Leggett and comprises other members of The FA's executive.

(iii) The FA Council and Committees

The role of The FA Council is to regulate football matters including disciplinary matters, management of the National League System, the registration, control and development of referees, youth football and match and competition sanctioning. The Council meets five times per season and meetings routinely include presentations from members of the executive on topical issues within the game.

The FA Council delegates areas of responsibility to numerous standing committees, which have various sub-committees and working groups. The current standing committees are: Referees Committee, Protocol Committee, Leagues Committee, Membership Committee, Sanctions & Registrations Committee, Alliance Committee, Youth Committee and Representative Matches Committee.

The Council comprises representatives from different constituencies of the game, including County FAs, the Premier League and English Football League, various leagues within the National League System, managers, players and supporters.

The Football Regulatory Authority ("FRA") is the regulatory, disciplinary and rule-making body of The FA. Membership of the FRA consists of four representatives from each of the National Game (David Edmunds, David Elleray, Nick Robinson and Richard Tur) and Professional Game (Robert Coar, Jez Moxey, Peter McCormick OBE and Rebecca Caplehorn) and a further four independent members (Sir Ian Johnston, Graeme Le Saux and Chris Brady, with a further appointment to be made).

The Judicial Panel is a group of individuals from which Regulatory Commissions and Appeal Boards are drawn. This includes Council Members, individuals with experience of the game of football and professionally qualified members such as barristers and solicitors. The Regulatory Commissions have the authority to impose penalties or other sanctions for breach of The FA's Rules, with the Appeal Boards established to hear cases and appeals in prescribed circumstances.

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.

The Board met eleven times during the reporting year. The attendance of directors at each meeting of the Board was as follows. Figures in brackets indicate the maximum number of meetings during the year in which the individual was a Board Director.

Name	Role	Date resigned/ appointed	Scheduled Board meetings
G Clarke	Chairman	Appointed 24 August 2016	10 (10)
BW Bright	Vice-President	Resigned 26 July 2017	11 (11)
R Devlin	Independent Non-Executive		11 (11)
R Cotter	Northamptonshire CFA		11 (11)
D Gill	The FA Premier League, Manchester United FC	Resigned 26 July 2017	10 (11)
M Glenn	Chief Executive Officer		11 (11)
M R Leggett	FA Vice-Chairman, Vice-President		11 (11)
P McCormick OBE	FA Vice-Chairman, The FA Premier League		11 (11)
J Moxey	The English Football League, Norwich City FC	Resigned 26 July 2017	9 (11)
J Pearce	Divisional Representative, Bognor Regis Town FC		11 (11)
H Rabbatts DBE	Independent Non-Executive	Resigned 26 July 2017	8 (11)
J Rodwell	The English Football League, Scunthorpe United FC		11 (11)

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Please refer to note 7 of the financial statements for a breakdown of each director's remuneration for the season.

Governance issues

The FA has agreed a plan of action with Sport England to achieve full compliance with the Code. A number of governance reforms were agreed during the course of the year to move towards full compliance. These included:

- The Board reducing in size from 12 to 10 members
- A commitment that three members of the Board will be female by the start of the 2018/2019 season
- Introduction of term limits for FA Board membership of 3 year, 3 terms
- The addition of 11 new members to The FA Council to ensure it better reflects the inclusive and diverse nature of English football
- Ensuring all FA Council members are active members in the organisation they are elected or nominated to represent
- No further appointments of FA Council Senior Vice Presidents and Life Vice Presidents
- Introduction of 3 year, 3 term limits for FA Council membership with effect from the 2018/2019 season

A key challenge for 2017/2018 and subsequent years will be to improve the diversity among the directors. Having committed to a minimum of 30% female membership of the Board by the start of the 2018/2019 season, The FA will develop a Diversity Action Plan to demonstrate the pathway towards achieving greater diversity on its Board, including Black, Asian, minority ethnic diversity and disability.

Each of the persons who is a director 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 auditor is unaware
- the director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

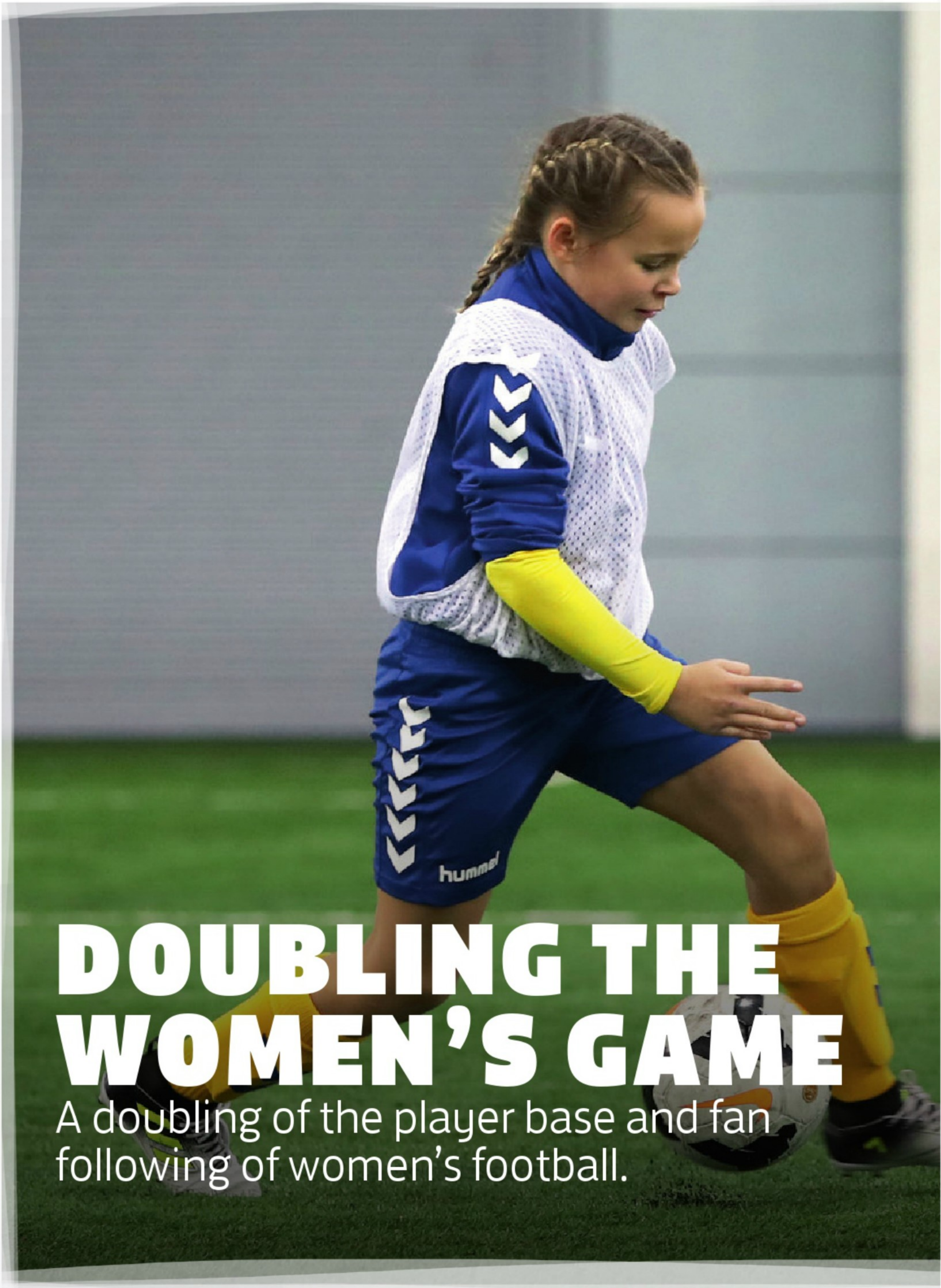
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

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

R. G. McDermott

Richard McDermott
Company Secretary
The Football Association
29 November 2017



DOUBLING THE WOMEN'S GAME

A doubling of the player base and fan following of women's football.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Directors' responsibilities statement

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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. 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 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.

Independent auditor's report to the members of Football Association Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 July 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Football Association Limited (the 'parent company') and its subsidiaries (the 'group') which comprise:

- the consolidated profit and loss account;
- the consolidated statement of comprehensive income;
- the consolidated and company statement of financial position;
- the consolidated and parent statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 25.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material

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

inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

M. R. Lee-Amies.

Mark Lee-Amies FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
29 November 2017

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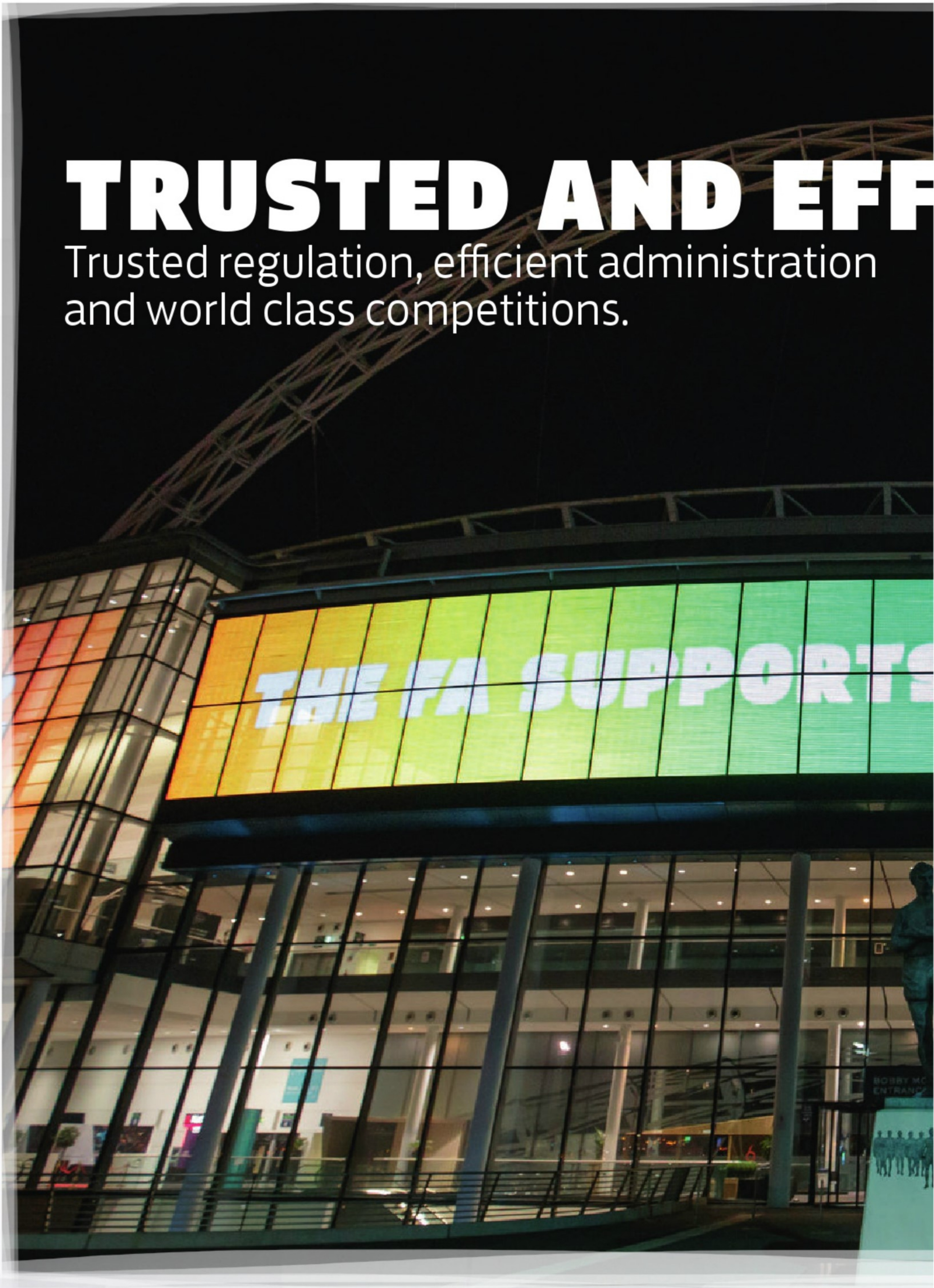

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Consolidated profit and loss account

Year ended 31 July 2017

	Note	2017 £'000	2016 £'000
Turnover	3	**351,229**	369,675
Cost of sales		**(70,688)**	(82,223)
Gross profit		**280,541**	287,452
Investments into the game		**(126,590)**	(125,287)
Operating expenses		**(123,943)**	(118,379)
Restructuring and reorganisation costs	5	**(435)**	(2,950)
Losses on foreign exchange and mark-to-market revaluation		**(1,154)**	(11,896)
Total operating expenses		**(252,122)**	(258,512)
Operating profit		**28,419**	28,940
Interest receivable and similar income	4	**24**	525
Interest payable and similar expenses	4	**(7,527)**	(14,303)
Remeasurement of interest rate swap		**–**	(4,457)
		(7,503)	(18,235)
Profit on ordinary activities before taxation	5	**20,916**	10,705
Tax on profit on ordinary activities	8	**(4,598)**	(3,643)
Profit for the year		**16,318**	7,062

All the above results are derived from continuing operations.

Consolidated statement of comprehensive income

Year ended 31 July 2017

	Note	2017 £'000	2016 £'000
Profit for the year		**16,318**	7,062
Remeasurement of hedged derivative contracts	20	**3,047**	–
Actuarial gains / (losses) on pension scheme	23	**5,003**	(2,302)
Total comprehensive income for the year		**24,368**	4,760

All the above results are derived from continuing operations.

Consolidated statement of financial position

As at 31 July 2017

	Notes	2017 £'000	2016 £'000
Fixed assets			
Intangible assets	10	**227**	233
Tangible assets	11	**571,750**	589,962
		571,977	590,195
Current assets			
Stock		**508**	570
Debtors due within one year	13	**57,028**	45,397
Debtors due after more than one year	13	**4,539**	224
Cash at bank and in hand		**38,536**	67,393
Pension asset	23	**2,682**	–
		103,293	113,584
Creditors: amounts falling due within one year	14	**(167,090)**	(194,366)
Net current liabilities		**(63,797)**	(80,782)
Total assets less current liabilities		**508,180**	509,413
Creditors: amounts falling due after more than one year	15	**(356,170)**	(377,182)
Provisions for liabilities	16	**(5,767)**	(10,356)
Net assets		**146,243**	121,875
Capital and reserves			
Called up share capital	19	**–**	–
Hedge reserve	20	**3,047**	–
Profit and loss account		**143,196**	121,875
Shareholders' funds		**146,243**	121,875

These financial statements of Football Association Limited, company number 00077797, were approved by the Board of Directors on 29 November 2017.

Signed on behalf of the Board of Directors

Martin Glenn
Chief Executive Officer

Company statement of financial position

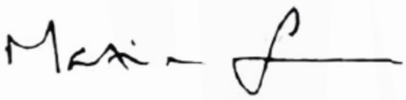
As at 31 July 2017

	Notes	2017 £'000	2016 £'000
Fixed assets			
Tangible assets	11	**6,757**	5,065
Fixed asset investments	12	**230,001**	230,001
		236,758	235,066
Current assets			
Debtors due within one year	13	**143,223**	143,417
Debtors due after more than one year	13	**246,889**	251,950
Cash at bank and in hand		**25,519**	30,013
Pension asset	23	**2,682**	–
		418,313	425,380
Creditors: amounts falling due within one year	14	**(111,966)**	(102,741)
Net current assets		**306,347**	322,639
Total assets less current liabilities		**543,105**	557,705
Creditors: amounts falling due after more than one year	15	**(180,713)**	(196,419)
Provisions for liabilities	16	**(1,476)**	(3,958)
Net assets		**360,916**	357,328
Capital and reserves			
Called up share capital	19	**–**	–
Hedge reserve	20	**3,047**	–
Profit and loss account		**357,869**	357,328
Shareholders' funds		**360,916**	357,328

The profit and loss for the financial year generated by the parent Company was a £4.5 million loss (2016: £16.1 million profit). As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the parent Company.

These financial statements of Football Association Limited, company number 00077797, were approved by the Board of Directors on 29 November 2017.

Signed on behalf of the Board of Directors



Martin Glenn
Chief Executive Officer

Consolidated statement of changes in equity

As at 31 July 2017

	Share capital £'000	Profit and loss account £'000	Hedge reserve £'000	Total £'000
At 31 July 2016	**–**	**121,875**	**–**	**121,875**
Profit for the financial year	–	16,318	–	**16,318**
Remeasurement of pension obligations	–	5,003	–	**5,003**
Remeasurement of hedged derivative contracts	–	–	3,047	**3,047**
Total comprehensive income	**–**	**21,321**	**3,047**	**24,368**
Balance at 31 July 2017	**–**	**143,196**	**3,047**	**146,243**

Company statement of changes in equity

As at 31 July 2017

	Share capital £'000	Profit and loss account £'000	Hedge reserve £'000	Total £'000
At 31 July 2016	**–**	**357,328**	**–**	**357,328**
Loss for the financial year	–	(4,462)	–	**(4,462)**
Remeasurement of pension obligations	–	5,003	–	**5,003**
Remeasurement of hedged derivative contracts	–	–	3,047	**3,047**
Total comprehensive income	**–**	**541**	**3,047**	**3,588**
Balance at 31 July 2017	**–**	**357,869**	**3,047**	**360,916**

Consolidated cash flow statement

Year ended 31 July 2017

	Note	2017 £'000	2016 £'000
Net cash flows from operating activities	21	**47,496**	16,164
Cash flows from investing activities			
Interest received		**23**	525
Purchase of tangible fixed assets		**(16,878)**	(6,395)
Net cash flows from investing activities		**(16,855)**	(5,870)
Cash flows from financing activities			
Repayments of borrowings		**(53,000)**	(251,613)
Receipt of borrowings		**–**	195,000
Interest paid		**(6,411)**	(10,658)
Repayments of obligations under finance leases		**(233)**	(160)
Repayment of interest rate swap		**–**	(62,527)
Receipt of amounts loaned to bank		**–**	23,517
Net cash flows from financing activities		**(59,644)**	(106,441)
Net decrease in cash and cash equivalents		**(29,003)**	(96,147)
Cash and cash equivalents at beginning of year		**67,393**	162,124
Effect of foreign exchange rate changes		**146**	1,416
Cash and cash equivalents at end of year		**38,536**	67,393

Notes to the financial statements

Year ended 31 July 2017

1. Accounting policies

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

a) General information and basis of accounting

Football Association Limited is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the Group's operations and its principal activities are set out in the Strategic report.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the Group is considered to be pounds sterling because that is the currency of the primary economic environment in which the Group operates. The consolidated and company financial statements are therefore presented in pounds sterling.

The Company has taken advantage of the disclosure exemptions available to it under FRS 102 in respect of related party transactions in relation to intra-group transactions.

b) Basis of consolidation

The Group's financial statements consolidate the results of the Company and its subsidiary undertakings drawn up to 31 July each year. The results of subsidiary undertakings acquired or disposed of in the year are consolidated for the years from or to the date on which control passed.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations affected prior to the date of transition.

c) 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 Strategic report. The Strategic report also outlines the financial position of the Group, its cash flows, liquidity position and borrowing facilities. At the year end, the Group had net current liabilities of £63.8 million (2016: £80.8 million) which included £100.5 million of deferred income (2016: £130.3 million). In addition, the Strategic report includes a summary of the principal risks and uncertainties affecting the Group which includes reference to the Groups borrowing and compliance with covenants as well as the risks associated with key rights contract renewal. The Strategic report also highlights that the Group has the potential to reduce discretionary expenditure if required.

The directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis of accounting in preparing the annual report and accounts.

d) Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income.

Turnover for the Group's primary classes of business is accounted for as follows:

Broadcasting – Turnover derived from broadcasting contracts is recognised straight line over the year covered under such contracts.

Sponsorship and licensing – These are recognised in line with the rights provided, under each contract.

Club Wembley – Turnover is recognised from when the licence agreement has been signed and the licence year has commenced. Licence fee turnover is spread evenly across the term of the licence agreement. For subsequent seasons, a transaction is recognised when the customer is invoiced for their annual season fee. The season fee is spread evenly across the year to which it relates (1 August to 31 July if a full season).

Events – Turnover is recognised when the relevant event takes place.

Grant income – Turnover is recognised over the year in which the related costs are recognised.

St. George's Park – Turnover from the use of hotel, conference and sports facilities is recognised in line with when the facilities are used. St. George's Park sponsorship and related turnover is recognised in line with the rights provided, under each contract. Turnover from FA Learning activity is recognised in line with the course dates for educational courses and on physical delivery of the goods to the customers for educational materials.

e) Barter transactions
Turnover is recognised in respect of barter transactions only where services are exchanged for dissimilar services and the transaction is deemed to have commercial substance. Such transactions are measured at the fair value of the services received, adjusted by any amount of cash and cash equivalents transferred.

f) Foreign currency
Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction (or where appropriate, at the rate of exchange in related forward foreign exchange contracts). Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are reported at the rates of exchange prevailing at that date. The $ – £ exchange rate used at 31 July 2017 was 1.320 (2016: 1.324). The € – £ rate used at 31 July 2017 was 1.12 (2016: 1.189). 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, unless for that relating to a derivative contract which has been designated as a hedged item.

g) 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 and charged to the profit and loss when a constructive obligation arises.

h) 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 statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position 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 statement of financial position date. Timing differences are differences between the Company's taxable profit and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years 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 profit 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 years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is measured on a non-discounted basis.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if the Group has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

i) Employee benefits

For defined benefit schemes the amounts charged to operating profit are the costs arising from employee services rendered during the year, benefit changes, settlements and curtailments. They are included as part of staff costs. (The net interest cost on the net defined benefit liability is charged to operating profit and included within finance costs). Remeasurement comprising actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions and the return on scheme assets (excluding net interest) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. The defined benefit liability is valued using an independent actuary. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each statement of financial position date.

The Groups obligation to fund the defined contribution scheme is limited to the agreed funding to the scheme. For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other retirement benefits 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 statement of financial position.

j) 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. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as assets at the fair value of the leased asset and are depreciated over the shorter of the lease terms and their useful lives. In respect of the finance lease entered into in relation to the hotel at St. George's Park, the lessor provided funding at the inception of the lease in order for the Group to construct the hotel. At inception of the lease the asset was recorded in other debtors. As construction occurred, amounts were drawn down from an escrow account, reducing the other debtor, and construction costs incurred were capitalised as part of the assets under construction within tangible fixed assets.

The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the year of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

k) Intangible fixed assets
The Group holds an intangible asset which represents the cost attributed to intellectual property on the acquisition of Wembley Stadium. The intellectual property rights are being amortised using the straight line method over a useful economic life in line with the Stadium fixed assets of fifty years.

l) Tangible fixed assets
Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairment. No depreciation is charged in respect of 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
Land and buildings (St Georges Park)	No depreciation is charged in respect of land. Building assets are categorised into operating classes and depreciated accordingly over the useful economic lives which range from 5 to 50 years. Long leasehold property is depreciated over the remaining life of the lease if less than 50 years, otherwise not depreciated
Leasehold improvements	15 years
Fixtures, fittings, plant and equipment	3 years for computer equipment, 3 to 10 years for plant and machinery and 8 to 10 years for fixtures and fittings
Assets in the course of construction	Not depreciated until brought into use

m) Borrowing costs
Borrowing costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. The commencement of capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

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

o) Stock
Stock is 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.

p) Non-derivative financial instruments
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- Returns to the holder are (i) a fixed amount; or (ii) a fixed rate of return over the life of the instrument; or (iii) a variable return that, throughout the life of the instrument, is equal to a single referenced quoted or observable interest rate; or (iv) some combination of such fixed rate and variable rates, providing that both rates are positive
- There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current year or prior years
- Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in relevant taxation or law
- There are no conditional returns or repayment provisions except for the variable rate return described in (a) and prepayment provisions described in (c)

Debt instruments that are classified as payable or receivable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Arrangement fees for the Group's funding are offset against the bank loan and are being amortised over the term of the bank loan. Finance costs, including amortisation of arrangement fees, directly attributable to construction of the Stadium were capitalised and are being depreciated on a straight line basis over the life of the Stadium. Borrowing costs incurred from the date of operational completion are charged to the profit and loss account as incurred.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

q) Derivative financial instruments

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

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The Group determines the fair value of its derivative financial instruments using quoted market prices adjusted for credit risk based on an implied probability of default, calculated using accepted valuation techniques. The resulting gain or loss is recognised in profit or loss immediately, for those derivative financial instruments not designated as a hedged item.

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.

r) Hedge accounting
During the 2016/17 season The Group adopted hedge accounting. The Group designated certain derivatives as hedging instruments in cash flow hedges. However for derivative contracts which have not been designated as hedged items they are accounted for in line with the derivative financial instruments policy.

At the inception of the hedge relationship, the entity documents the economic relationship between the hedging instrument and the hedged item, along with its risk management objectives and clear identification of the risk in the hedged item that is being hedged by the hedging instrument. Furthermore, at the inception of the hedge, the Group determines and documents causes for hedge ineffectiveness.

Note 18 sets out details of the fair values of the derivative instruments used for hedging purposes.

Cash flow hedges
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and a separate reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in the profit and loss account. Amounts accumulated in this reserve are reclassified to profit or loss in the years in which the hedged item cash flow occurs.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time is reclassified to the profit and loss account when the hedged item is recognised in the profit and loss account. When a forecast transaction is no longer expected to occur, any gain or loss that was accumulated in equity (other comprehensive income) is reclassified immediately to profit and loss account.

s) 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.

2. Critical accounting judgements and key sources of estimation uncertainty
In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Critical accounting judgements
No critical accounting judgements have been made during the current season.

Key sources of estimation uncertainty in applying the Company's accounting policies
The following are estimations of uncertainty that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Impairment review of tangible assets
There are a number of assumptions management have considered in performing impairment reviews of the Group's tangible assets, the most significant of which are Wembley Stadium and the hotel at St Georges Park (see note 11 for details of

carrying values). In addition to reviewing these, the company's investment in Wembley National Stadium Limited (carrying value of £563 million) and the National Football Centre Limited (Carrying value of £19.4 million) has also been assessed (see note 13), including fixed asset investments and intercompany loans. The determination of whether the assets are impaired requires an estimation of the value in use of the assets, based upon an estimate of the future cash flows expected to arise from the assets and a suitable discount rate in order to calculate present value.

When testing the Stadium assets for impairment a number of assumptions have been used in estimating future cash flows. Wembley Stadium generates cash in a number of ways such as sponsorship, non-FA events, FA Cup matches, England games and Club Wembley. It also absorbs cash notably capital expenditure of which £16 million is budgeted for 2018. The Strategic Report (pages 3 to 14) makes reference to the challenges posed by the renewal of Club Wembley renewals and also the need to invest in the Stadium. The impairment assessment is sensitive to key assumptions, in particular, the level of Club Wembley cash flows.

The discount rate used within the calculation is the 20 year AA UK corporate bond rate.

When testing the hotel assets for impairment a number of assumptions have been used in estimating future cash flows including the forecast occupancy rates of the hotel.

The discount rate used within the calculation is the interest rate attached to the hotels finance lease.

Valuation of derivative financial instruments at fair value

Management have made a number of assumptions with regard to the fair value of financial instruments at year end. Valuation techniques commonly used by market practitioners are applied. For the Group's derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instrument (including default risk of the financial institution), which includes a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates.

Pension assumptions

There are a number of assumptions management have considered on the advice of actuaries which have an impact on the results of the valuation of the pension scheme liabilities at year end. The most significant assumptions are those relating to the discount rate of return on investments, mortality rates, demographics of scheme participants and the rates of increase in salaries and pensions.

Notes to the financial statements

Year ended 31 July 2017

3. Turnover

An analysis of the Group's turnover by class of business is set out below.

	2017 £'000	2016 £'000
Turnover:		
Broadcasting	**131,184**	135,907
Sponsorship and licensing	**77,036**	75,604
Club Wembley	**58,236**	56,529
Events	**49,375**	55,876
Grant income	**12,857**	12,329
St. George's Park	**13,720**	15,998
Other income	**8,821**	17,432
	351,229	369,675

An analysis of the Group's turnover by geographical market is set out below.

	2017 £'000	2016 £'000
Turnover:		
UK	**279,870**	293,974
Overseas	**71,359**	75,701
	351,229	369,675

The majority of the Group's turnover is generated in the UK, with turnover generated outside the UK principally from international broadcast providers, grants and tournament income from UEFA and FIFA.

An analysis of the Group's turnover by type is as follows:

	2017 £'000	2016 £'000
Sale of goods	**1,809**	1,649
Rendering of services	**336,166**	355,500
Rental income	**397**	197
Grants	**12,857**	12,329
	351,229	369,675

Further detail on the Group's grants is provided in Note 15.

Barter transactions

The amount of barter transactions for goods and other services recognised in turnover is £2.7 million (2016: £2.7 million).

Operating lease income

Turnover included operating lease income from letting office space within the Stadium of £0.4 million (2016: £0.2 million).

4. Finance costs (net)

	2017 £'000	2016 £'000
Interest payable and similar charges		
Bank interest payable	**3,083**	6,649
Finance lease interest payable	**3,328**	3,331
	6,411	9,980
Other finance costs		
Movement in fair value of interest rate swap	**–**	4,457
Amortisation of issue costs	**789**	4,019
Interest on defined benefit obligations	**327**	304
	1,116	8,780
	7,527	18,760
Interest receivable		
Bank interest receivable	**24**	525

On 2 October 2015, the Group settled its existing loan obligations with WNSL's banking syndicate, repaying the £244.5 million outstanding on the term loan to the original lenders.

Attached to these loan obligations was an interest rate swap which was settled in 2015/16. An interest rate swap attached to the new loan obligations was entered into on 31 July 2017 and therefore no fair value adjustment has been recognised on this during the current season.

All capitalised borrowing costs attached to the previous loan obligations were written off in the 2015/16 season.

The new loan obligations are split between a £200.0 million Revolving Credit Facility ("RCF") and a £100.0 million Term Loan. Both facilities are secured against the value of Wembley Stadium.

The term of the RCF is seven years (repayable in October 2022) and interest is payable at a variable rate of LIBOR + 1.15%. The Term Loan is secured for three years (repayable in October 2018), with interest payable at a variable rate of between LIBOR + 1.10% and LIBOR + 1.25%. Interest charged on the previous facilities was 7.0%.

5. Profit/(loss) on ordinary activities before taxation
Profit on ordinary activities before taxation is stated after charging / (crediting):

	2017 £'000	2016 £'000
Restructuring and reorganisation costs*	**435**	2,950
Depreciation of tangible fixed assets – owned	**29,768**	32,166
Depreciation of tangible fixed assets – held under finance lease	**3,821**	3,771
Amortisation of intangible assets	**6**	6
Amortisation of deferred capital grants	**(810)**	(1,432)
Amortisation of income grants	**(575)**	(575)
Operating lease rentals	**1,402**	1,412
Loss on disposal of tangible fixed assets	**–**	2,596
Fair value (gain) / loss on forward currency contracts measured at fair value through profit and loss (see Note 17)	**(3,254)**	11,490
Impairment of tangible assets**	**1,501**	–
Fair value loss on interest rate swap measured at fair value through profit and loss	**–**	4,457
Foreign exchange loss/(gain)	**4,408**	(248)

*Restructuring costs included redundancy costs of £0.4 million (2016: £2.9 million). The related year end provision is disclosed in Note 16.

**Impairment of tangible assets is recognised within operating expenses.

An analysis of the auditor's remuneration is as follows:

Fees payable to the Group's auditor for audit services		
Fees payable to the Group's auditor for the audit of The FA's annual accounts	**79**	82
Fees payable to the Group's auditor for the audit of The FA's subsidiaries	**85**	83
Total audit fees	**164**	165

Fees payable to the Group's auditor for other services to the Group		
Audit-related assurance services	**11**	8
Taxation compliance services	**31**	30
Other taxation advisory services	**22**	18
Other services	**57**	85
Total non-audit fees	**121**	141

Deloitte have been appointed as auditors of the Group and its subsidiaries

6. Staff numbers and costs

The average monthly number of Group employees was:

	2017 No.	2016 No.
Promotion of Association Football	**701**	701
Stadium and event management	**112**	79
Hotel management	**249**	217
	1,062	997

Their aggregate remuneration comprised:

	£'000	£'000
Wages and salaries	**40,266**	40,238
Social security costs	**4,278**	4,630
Other pension costs	**1,880**	1,898
Severance costs	**1,267**	2,241
	47,691	49,007

7. Directors' and senior management team remuneration

Directors were remunerated £1.0 million (2016: £0.8 million) in respect of services provided during the season, broken down as follows:

M Glenn	**699**	591
G Clarke	**161**	–
B Bright	**27**	24
R Cotter	**14**	–
D Gill	**4**	6
M Leggett	**18**	15
J Moxey	**4**	2
J Pearce	**11**	11
H Rabbatts DBE	**15**	–
J Rodwell	**6**	1
R Devlin	**–**	–
P McCormick	**–**	–
Directors who held position in 2015/16 but not in 2016/17	**–**	165
	959	815

There were no directors to whom retirement benefits were accruing in respect of qualifying services in respect of defined benefit schemes (2016: none).

There was one director (2016: one) to whom retirement benefits were accruing in respect of qualifying services in respect of the money purchase pension scheme.

Total remuneration of £3.3 million was paid to members of the senior management team during the current season (2016: £3.4 million).

8. Tax on profit on ordinary activities

The tax charge comprises:

	2017 £'000	2016 £'000
Current tax on profit on ordinary activities		
UK corporation tax	**(5,944)**	(2,660)
Adjustments in respect of prior years	**(72)**	179
Total current tax	**(6,016)**	(2,481)
Deferred tax		
Origination and reversal of timing differences	**336**	(1,619)
Effect of the rate change	**274**	551
Adjustments in respect of prior years	**808**	(94)
Total deferred tax	**1,418**	(1,162)
Total tax on profit / (loss) on ordinary activities	**(4,598)**	(3,643)

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

(Loss) / profit on ordinary activities	**20,916**	(10,705)
Tax on Group (loss)/profit on ordinary activities at the standard UK corporation tax rate of 19.67% (2016: 20%)	**(4,114)**	(2,141)
Effects of:		
Expenses not deductible for tax purposes	**(2,066)**	(2,570)
Current tax credit on interest rate swap loss	**–**	6,719
Deferred tax charge on interest rate swap loss	**–**	(6,719)
Non-taxable release of grant income	**454**	397
Effect of current year changes to the statutory tax rate	**276**	554
Adjustment in respect of prior years	**738**	117
Fair value movement on unhedged financial instruments	**114**	–
Group total tax charge for the year	**(4,598)**	(3,643)

The standard rate of tax applied to reported profit on ordinary activities is 19.67% (2016: 20%).

Changes to the UK corporation tax rates were substantively enacted as part of Finance Act 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017. The enacted rate of corporation tax will reduce to 17% from 1 April 2020. Deferred taxes have been re-measured to 17%, the rate at which the majority of items making up the deferred tax balance are expected to reverse.

Deferred taxes have been re-measured to 17%, the rate enacted by the statement of financial position date.

9. Profit or loss attributable to the Company

The profit or loss for the financial year dealt with in the financial statements of the parent Company was a £4.5 million loss (2016: £16.1 million profit). As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the parent Company.

10. Intangible fixed assets

	Total £'000
Cost	
At 1 August 2016 and 31 July 2017	**250**
Amortisation	
At 1 August 2016	17
Charge for the year	6
At 31 July 2017	**23**
Net book value	
At 31 July 2017	**227**
At 31 July 2016	233

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

11. Tangible fixed assets

Group	Land and buildings £'000	Stadium £'000	Leasehold improvements £'000	Fixtures, fittings, plant and equipment £'000	Assets under construction £'000	Total £'000
Cost						
At 1 August 2016	131,478	659,567	4,867	66,764	–	862,676
Additions	577	1,229	–	12,792	2,280	16,878
At 31 July 2017	**132,055**	**660,796**	**4,867**	**79,556**	**2,280**	**879,554**
Accumulated depreciation						
At 1 August 2016	5,996	226,176	1,284	39,258	–	272,714
Charge for the year	1,588	22,392	324	9,285	–	33,589
Provision for impairment	–	–	–	1,501	–	1,501
At 31 July 2017	**7,584**	**248,568**	**1,608**	**50,044**	**–**	**307,804**
Net book value						
At 31 July 2017	**124,471**	**412,228**	**3,259**	**29,512**	**2,280**	**571,750**
At 31 July 2016	125,482	433,391	3,583	27,506	–	589,962

Land and buildings includes freehold land, which is held at cost of £67.4 million (2016: £67.4 million). It also includes long leasehold property of £3.9 million (2016: £3.9 million).

Included within the above assets is £29.7 million (2016: £32.6 million) of assets held under finance leases. This relates to a lease and leaseback arrangement to fund the construction of the hotel at St. George's Park, which has been classified as a finance lease. The minimum lease term is 30 years. These assets are held at cost of £48.2 million (2016: £47.3 million) less accumulated depreciation of £18.5 million (2016: £14.7 million).

This relates to the lease and leaseback arrangement to fund the construction of the hotel at St. George's Park, which has been classified as a finance lease. The minimum lease term is 30 years.

Borrowing costs amounting to £73.6 million (2016: £73.6 million) incurred on construction of the stadium have been included within the cost of the stadium asset.

A provision for impairment has been recognised during the 2016/17 in relation to computer equipment and software which is no longer in use by The Group.

Company	Stadium £'000	Fixtures, fittings, plant and equipment £'000	Assets under construction £'000	Total £'000
Cost				
At 1 August 2016	2,444	10,251	–	12,695
Additions	–	1,655	2,280	3,935
At 31 July 2017	**2,444**	**11,906**	**2,280**	**16,630**
Accumulated depreciation				
At 1 August 2016	379	7,251	–	7,630
Charge for the year	51	2,192	–	2,243
At 31 July 2017	**430**	**9,443**	**–**	**9,873**
Net book value				
At 31 July 2017	**2,014**	**2,463**	**2,280**	**6,757**
At 31 July 2016	2,065	3,000	–	5,065

12. Fixed asset investments

	Group		Company	
	2017 £'000	2016 £'000	**2017 £'000**	2016 £'000
Subsidiary undertakings	**–**	–	**230,001**	230,001

Subsidiary undertakings

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

Name	Activity
Wembley National Stadium Limited ("WNSL")	Organising sporting/entertainment events at Wembley Stadium
National Football Centre Limited	Operation of hotel & sports facilities and educational activities
FA Learning Limited	Dormant
The English National Stadium Property Company Limited	Dormant
England Soccer Enterprises Limited	Dormant

The registered address of all above entities is Wembley Stadium, Wembley, London, HA9 0WS

13. Debtors

	Group		Company	
	2017 **£'000**	2016 £'000	**2017** **£'000**	2016 £'000
Amounts falling due within one year				
Trade debtors	**28,627**	23,928	**9,884**	3,086
Loans to clubs	**57**	63	**57**	63
Amounts owed by Group undertakings	**–**	–	**108,270**	122,425
VAT receivable	**–**	–	**172**	5,046
Other debtors	**3,057**	1,310	**1,779**	1,047
Prepayments and accrued income	**24,656**	20,096	**22,430**	11,750
Derivative financial instruments	**631**	–	**631**	–
	57,028	45,397	**143,223**	143,417
Amounts falling due after more than one year				
Loans to clubs	**161**	224	**161**	224
Amounts owed by Group undertakings	**–**	–	**242,350**	251,726
Derivative financial instruments	**4,378**	–	**4,378**	–
	4,539	224	**246,889**	251,950
Total debtors	**61,567**	45,621	**390,112**	395,367

Total amounts owed by Group companies

Gross amounts owed by Group companies	**369,847**	374,151
Provision for impairment	**(19,227)**	–
Net amounts owed by Group companies	**350,620**	374,151

Since inception The FA has lent operating funds to NFC. As part of our annual impairment assessment of amounts receivable from the NFC we determined that the recoverable amount of these loans was less than the carrying amount and therefore a provision for impairment was recognised.

14. Creditors: amounts falling due within one year

	Group		Company	
	2017 **£'000**	2016 £'000	**2017** **£'000**	2016 £'000
Obligations under finance lease	**315**	233	**–**	–
Trade creditors	**7,864**	3,462	**4,680**	2,211
Amounts due to subsidiary	**–**	–	**12,081**	6,402
UK corporation tax payable	**3,707**	736	**1,684**	736
VAT payable	**270**	5,001	**–**	–
Social security and other taxes	**1,704**	1,572	**1,414**	1,368
Other creditors	**4,230**	4,399	**1,912**	1,674
Accruals	**37,985**	38,922	**19,830**	19,517
Deferred grants	**6,516**	7,969	**5,124**	6,576
Deferred income	**100,459**	130,300	**61,201**	62,485
Derivative financial instruments	**4,040**	1,772	**4,040**	1,772
	167,090	194,366	**111,966**	102,741

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

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

	Group		Company	
	2017 £'000	2016 £'000	**2017 £'000**	2016 £'000
Bank loan	**139,403**	191,547	**139,403**	191,547
Obligations under finance leases	**49,251**	49,565	**–**	–
Deferred grants	**117,351**	118,736	**–**	–
Deferred income	**49,501**	12,462	**40,646**	–
Derivative financial instruments	**664**	4,872	**664**	4,872
	356,170	377,182	**180,713**	196,419

Bank loan
The FA has entered into borrowing arrangements with Barclays, HSBC and Santander. As at 31 July 2017 the total loan facility available was £285.7m, which consists of a £187.5 million Revolving Credit Facility ("RCF") and a £100.0 million Term Loan. Both facilities are secured against the value of Wembley Stadium.

The term of the RCF is seven years (repayable in October 2022) and interest is payable at a variable rate of LIBOR + 1.15%. The Term Loan is secured for three years (repayable in October 2018), with interest payable at a variable rate of LIBOR + 1.10% (to October 2017) and LIBOR + 1.25% (from October 2017 to October 2022).

£142.0 million of this loan facility (gross of borrowing costs incurred in the arrangement of these facilities of £2.6 million) was drawn down at 31 July 2017 (£100.0 million term; £42.0 million RCF).

Borrowing costs of £4.1 million were initially capitalised in relation to these facilities. An amortisation charge in relation to capitalised borrowing fees of £0.7 million has been recognised during the current season.

Obligations under finance leases

At 31 July 2017 the Group had annual commitments under non-cancellable finance leases as set out below:

Finance leases	2017 £'000	2016 £'000
Less than one year	**3,457**	3,623
Between one and two years	**3,481**	3,457
Between two and five years	**10,865**	10,652
More than five years	**83,333**	87,027
	101,136	104,759
Less: Finance charges allocated to future years	**(51,570)**	(54,961)
	49,566	49,798

Deferred grants

Deferred grants greater than one year comprise the following amounts:

	2017 £'000	2016 £'000
Sport England	**78,545**	78,829
Department of Culture, Media and Sport ("DCMS")	**18,015**	18,468
London Development Agency ("LDA")	**16,236**	16,656
Other	**4,555**	4,783
	117,351	118,736

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 £1.4 million (2016: £1.4 million).

Deferred grants from Sport England includes grant funding of £78.5 million in relation to Wembley Stadium. £11.2 million of this grant funding related to Stadium assets and will be amortised over the life of the building, the remaining grant funding represents grants in respect of land of £67.3 million which is not amortised.

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

Other grants were received from commercial partners to assist with the construction of St Georges Park. These grants are being amortised over the useful life of these assets (between 30 – 50 years).

Notes to the financial statements
Year ended 31 July 2017

16. Provisions for liabilities

Group

	Deferred tax £'000	Restructuring £'000	Pension obligations £'000	Total £'000
At 1 August 2016	4,983	1,280	4,093	10,356
Utilised during the year	–	(1,280)	–	(1,280)
Charged to profit and loss account	(1,418)	435	–	(983)
Charged to other comprehensive income	1,767	–	(4,093)	(2,326)
At 31 July 2017	**5,332**	**435**	**–**	**5,767**

Company

	Deferred tax £'000	Restructuring £'000	Pension obligations £'000	Total £'000
At 1 August 2016	(1,409)	1,274	4,093	3,958
Utilised during the year	–	(1,274)	–	(1,274)
Charged to profit and loss account	685	435	–	1,120
Charged to other comprehensive income	1,765	–	(4,093)	(2,328)
At 31 July 2017	**1,041**	**435**	**–**	**1,476**

Deferred tax

Deferred tax is provided as follows:

	Group		Company	
	2017 £'000	**2016 £'000**	**2017 £'000**	**2016 £'000**
Capital allowances in excess of depreciation	**1,373**	3,706	**(989)**	(963)
Tax losses available	**–**	(775)	**–**	–
Capitalised finance costs	**6,134**	6,662	**–**	–
Timing differences in respect of financial instruments	**(4,091)**	(5,284)	**113**	(1,123)
Accelerated donations to charity	**1,490**	1,441	**1,488**	1,441
Defined benefit pension scheme	**456**	(737)	**456**	(737)
Other short term timing differences	**(30)**	(30)	**(27)**	(27)
Deferred tax liability	**5,332**	4,983	**1,041**	(1,409)

Deferred tax assets and liabilities are offset only where the Group has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the same group.

Restructuring

In the 2014/15 season the Group announced plans to restructure the organisation, to make cost savings to invest in elite England teams, facilities and grassroots coaching. The amount remaining of the restructuring provision is £nil (2016: £1.3 million) at 31 July 2017.

A additional restructuring provision of £0.4 million was recognised during the current season in relation to additional internal restructuring announced during the 2016/17 season.

Pension obligations

Please refer to note 23 for further information in regards to pension obligations.

17. Financial instruments

The carrying values of the Group and Company's financial assets and liabilities are summarised by category below:

	Group		Company	
	2017 £'000	2016 £'000	**2017 £'000**	2016 £'000
Financial assets				
Measured at fair value through profit or loss	**983**	–	**983**	–
Forward foreign currency contracts (see Note 13)				
Measured at fair value through other comprehensive income				
Forward foreign currency contracts (see Note 20)	**4,026**	–	**4,026**	–
Measured at undiscounted amount receivable				
Trade and other debtors (see Note 13)	**31,902**	25,238	**12,053**	4,133
Amounts due from Group undertakings (see Note 13)	**–**	–	**350,620**	374,151
Equity instruments measured at cost less impairment				
Fixed asset investments in unlisted equity instruments (see Note 12)	**–**	–	**230,001**	230,001
	36,911	25,238	**597,683**	608,285

	Group		Company	
	2017 £'000	2016 £'000	**2017 £'000**	2016 £'000
Financial liabilities				
Measured at fair value through profit or loss	**4,393**	6,644	**4,393**	6,644
Forward foreign currency contracts (see Notes 14 and 15)				
Measured at fair value through other comprehensive income				
Forward foreign currency contracts (see Note 20)	**310**	–	**310**	–
Debt instruments measured at amortised cost				
Bank loans payable (see Notes 14 and 15)	**139,403**	191,547	**139,403**	191,547
Obligations under finance lease (see Notes 14 and 15)	**49,566**	49,798	**–**	–
Measured at undiscounted amount payable				
Trade and other creditors (see Note 14)	**17,776**	7,861	**9,690**	3,885
Amounts due to Group undertakings (see Note 14)	**–**	–	**12,081**	6,402
	211,448	255,850	**165,877**	208,478

It is the Group's policy to hedge significant foreign exchange and interest rate risk. These risks have been hedged by entering into forward foreign currency contracts and an interest rate cap.

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

Some of these contracts have been designated as hedged items and are therefore measured at fair value through other comprehensive income. The fair value of these contracts at 31 July 2017 is an asset of £3.7 million (2016: £nil). For those contracts which have not been designated as hedged items they are measured at fair value through profit or loss. The fair value of these contracts at 31 July 2017 is a liability of £3.4 million (2016: £6.4 million).

The remaining items disclosed above related to assets and liabilities incurred in the normal course of business.

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

	Group	
	2017 £'000	2016 £'000
Interest (income) and expense		
Total interest income for financial assets at amortised cost	**–**	–
Total interest expense for financial liabilities at amortised cost	**7,527**	8,430
Total interest expense for financial liabilities at fair value through profit or loss	**–**	2,228
Fair value (gains) and losses		
On forward foreign currency contracts measured at fair value through profit or loss	**(3,254)**	11,490
On interest rate swap measured at fair value through profit or loss	**–**	4,457

18. Derivative financial instruments

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

Interest rate swaps are valued at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

Cash flow hedges

Forward foreign currency contracts

The following table details the forward foreign currency contracts outstanding as at the yearend:

	Average contractual exchange rate		Notional value		Fair value	
Outstanding contracts	**2017**	2016	**2017 £'000**	2016 £'000	**2017 £'000**	2016 £'000
Sell US Dollars						
Greater than 12 months	**1.29**		**99,179**	–	103,205	–
Sell Euros						
Greater than 12 months	**1.17**	–	**5,431**	–	5,120	–

The Group enters into a number of derivative contracts to hedge the foreign exchange exposure arising on certain contracts. For these contracts the Group has adopted hedge accounting.

The hedged cash flows are expected to occur and to affect profit or loss over the next four financial years.

Gains of £3.0 million (2016: gains of £nil) were recognised in other comprehensive income. The Group performed an assessment of hedge ineffectiveness and noted that there were no material adjustments to be made. Therefore no hedge ineffectiveness charges have been recognised within the profit or loss during the current season.

19. Called up share capital and reserves

Allotted, called up and fully paid	**2017 £**	2016 £
1,614 ordinary shares of 5p each	**81**	81
2 special rights preference shares of £1	**2**	2
	83	83

The shares do not entitle the owner to any dividend or bonus in the Company. The special rights preference shares are held by The FA Premier League Limited and The Football League Limited.

The Group and Company's profit and loss account represents cumulative profits or losses and other comprehensive income.

20. Hedge reserve

	Group £'000	Company £'000
Opening	**–**	–
Revaluation of derivative contracts through other comprehensive income	**3,047**	3,047
Closing	**3,047**	3,047

During the 2016/17 season The FA designated certain derivative contracts as hedged items. These contracts were revalued to fair value (based on market rates) as at 31 July 2017. The resulting gain was recognised through other comprehensive income and held within a hedged reserve.

The hedge reserve is comprised of the fair value of derivative assets £4.0 million, derivative liabilities £0.3 million and deferred tax £0.7 million.

21. Notes to the consolidated cash flow statement

Reconciliation of operating profit to cash generated by operations:

	2017 £'000	2016 £'000
Operating profit	**28,419**	28,940
Adjustment for:		
Depreciation	**33,589**	35,937
Impairment of tangible assets	**1,501**	–
Amortisation of deferred capital grants	**(810)**	(1,432)
Amortisation of deferred income grants	**(575)**	(575)
Movement on hedge reserve	**3,047**	–
Loss on disposal of tangible fixed assets	**–**	2,596
Operating cash flow before movement in working capital	**65,171**	65,466
Decrease in stock	**67**	36
Decrease in debtors	**7,526**	4,410
Decrease in creditors	**(20,272)**	(42,804)
Decrease in provisions	**(845)**	(8,530)
Corporation tax paid	**(3,150)**	(1,278)
Contributions paid by the Company into the defined benefit pension scheme	**(1,001)**	(1,136)
Cash generated by operations	**47,496**	16,164

22. Financial commitments
Total future minimum lease payments under operating leases are as follows:

	Group		Company	
	2017 £'000	2016 £'000	**2017 £'000**	2016 £'000
Operating leases which expire:				
– within one year	**98**	577	**70**	61
– between two and five years	**163**	946	**147**	29
	261	1,523	**217**	90

Included within operating leases outstanding at 31 July 2016 was land leased adjacent to the stadium. During the 2016/17 season the lessor executed a break clause cancelling the lease.

23. Employee benefits
Defined contribution scheme
The Company and Group operate a defined contribution retirement benefit scheme for all qualifying employees employed by Group companies. The total expense charged to the profit or loss account in the year ended 31 July 2017 was £1.9 million (2016: £1.9 million).

Defined benefit scheme
The Group operates a defined benefit pension scheme for its employees. Under the scheme, the employees are entitled to retirement benefits based on their final salary on attainment of a retire¬ment age of at least 55. No other post-retirement benefits are provided. The scheme is a funded scheme.

From 1 January 2003, new employees have not been able to enter the scheme. The scheme was closed to future accrual at 30 April 2010 and all active members became deferred members at this date.

The most recent actuarial valuations of scheme assets and the present value of the defined benefit obligation were carried out at 31 July 2017 by a qualified independent actuary. The present value of the defined benefit obligation, the related current service cost and the past service cost were measured using the projected unit credit method.

The last triennial valuation of the scheme was performed at 1 January 2015, with further updates performed at 1 January 2016 and 1 January 2017.

Key assumptions used:	**31 July 2017 % p a**	31 July 2016 % p a
Discount rate	**2.50**	2.25
Expected long-term rate of return on Scheme assets	**2.50**	2.25
RPI assumption	**3.30**	2.8
CPI assumption	**2.30**	1.8
Future pension increases	**3.20**	2.75

The underlying mortality assumption in 2017 is based upon the standard table known as S2LPA on a year of birth usage, with CMI_2014 improvement factors and a long-term rate of future improvement of 1.25 % p.a. (2016: 1.25%).

Amounts recognised in the profit and loss account in respect of the defined benefit scheme are as follows:

	2017 £'000	2016 £'000
Administrative expenses	**244**	244
Interest on scheme liabilities	**1,975**	2,763
Interest on scheme assets	**(1,892)**	(2,703)
	327	304

Amounts recognised in other comprehensive income in respect of the defined benefit scheme are as follows:

Actual return less expected return on scheme assets	**8,977**	7,469
Expected less actual scheme expenses	**6**	62
Experience gains arising on scheme liabilities	**1,213**	1,919
Changes in assumptions underlying the present value of scheme liabilities	**(4,095)**	(12,328)
Related deferred tax	**(1,098)**	576
Actuarial gain / (loss)	**5,003**	(2,302)

The amount included in the statement of financial position arising from the Company and Group's obligations in respect of its defined benefit scheme is as follows:

	2017 £'000	2016 £'000
Present value of defined benefit obligations	(91,532)	(88,899)
Fair value of scheme assets	94,214	84,806
Surplus / (deficit) in the scheme	2,682	(4,093)

Movements in the present value of defined benefit obligations were as follows:

	2017 £'000	2016 £'000
Present value of plan liabilities at 1 August	88,899	77,763
Benefits paid	(2,224)	(2,036)
Interest on plan liabilities	1,975	2,763
Actuarial losses	2,882	10,409
Present value of plan liabilities at 31 July	91,532	88,899

Movements in the fair value of scheme assets were as follows:

	2017 £'000	2016 £'000
At 1 August 2016	84,806	75,718
Interest income	1,892	2,703
Returns on assets	8,977	7,469
Benefits paid	(2,224)	(2,036)
Contributions paid by the Group	1,001	1,134
Administrative expenses	(238)	(182)
At 31 July 2017	94,214	84,806

The analysis of the scheme assets at 31 July 2017 was as follows:

	2017 %	2016 %
Equities and Property	**59**	56
Bonds	**38**	43
Cash	**3**	1
Total	**100**	100

Movement in the net pension obligation were as follows:

	2017 £'000	2016 £'000
Deficit in Scheme at beginning of year	**(4,093)**	(2,045)
Amounts recognised in profit and loss account	**(327)**	(304)
Contributions paid by the Company	**1,001**	1,134
Remeasurement of pension obligation recognised in other comprehensive income	**6,101**	(2,878)
Surplus / (Deficit) in Scheme at end of year	**2,682**	(4,093)

Funding

Formal actuarial valuations take place every three years and where there is a deficit, the Company and the trustee would agree a deficit recovery plan. The assumptions adopted for triennial actuarial valuations are determined by the trustee and agreed with the Company and are normally more prudent than the assumptions adopted for FRS 102 purposes, which are best estimate. For the Group, following the latest formal actuarial valuation (with an effective date of 1 January 2015) a deficit recovery plan was agreed, to make good the deficit over a period of time, consistent with the requirements of the UK pension regulations. The FA contributed £1 million into the defined benefit scheme during the 2016/17 season. The next triennial valuation is due on 1 January 2018 and it is at this point the Company and the trustee will determine the level of employer contributions required.

24. Subsequent events

No non-adjusting subsequent events have been noted subsequent to year end.

Notes to the financial statements

Year ended 31 July 2017

25. Related party transactions

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. The FA has a cost of £3.1 million (2016: £2.1 million) charged to its operating expenses in the year, being a contribution towards the operating costs of PGMOL that are necessary for providing match officials to the Professional Game.

The total remuneration (including severance pay) for FA key management personnel for the year was £3.0 million (2016: £3.1 million).

The FA has invested £10.0 million during the current season indirectly through the Football Foundation into the Parklife scheme. Charitable Trusts have been established in Sheffield and Liverpool to oversee the operations of the Parklife hubs in those cities. The FA has the power to appoint up to two trustees to the board of trustees of these Trusts. As each Trust currently has six trustees, The FA has significant influence resulting in the Trusts meeting the definition of an associate. As The FA does not hold any shares in these Trusts or is a financial guarantor and is not entitled to receive any profits generated or is liable to fund any losses, the accounting value of these associates to The FA is £nil. These Trusts have therefore not been included within the consolidated accounts of The FA.

There have been no transactions between The FA or the Trusts during the current season.

The FA

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