



LondonFA

Title: Finance Report	Meeting: Annual General Meeting
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Introduction

The London Football Association's financial year runs from 1st July through to 30th June every year, and the AGM now takes place in June every year, in line with the grassroots football season. As a result of this, audited accounts for the financial year 2021-22 cannot be made available to members at the AGM, as the financial year has not yet closed at the time of circulating the papers.

The audited accounts are generally ready by the end of September every year and the 2021-22 accounts will be available to all members via the London FA website. Audited accounts for the 2020-21 season have been completed, and are available at the link below:

<https://www.londonfa.com/about/london-fa-board/financial-accounts>

In the absence of audited accounts for the 2021-22 season, members instead receive a financial report from the London FA Board and CEO. This report summarises the *likely* financial position of the Association at the end of the 2021-22 season, as well as a summary of the 2020-21 accounts.

Financial summary for 2020-21

The COVID-19 pandemic had a very significant impact on football and the potential financial impact of these developments were potentially serious for the FA nationally. To mitigate against this, prior to the start of the 2020-21 season the FA took the decision to reduce their budgets by £300m and to spread this saving over the next four years, equating to a £75m reduction per year. These reductions have affected all parts of the game, including County FAs.

Approximately half of London FA's income is derived from the grassroots game directly (affiliation fees, discipline fines and charges, coach and referee education, cup competition activity, etc), with the remainder coming from the FA as a grant. The FA have also now centralised the delivery of coach education, a major change from the previous delivery model which had County FA's administering this programme locally. This has impacted further a County FA's ability to generate income. The role of a County FA in relation to coaching has now changed significantly, from the administration of the courses to a much more developmental role focusing on Continuous Professional Development and increasing the diversity of this workforce.

The financial impact of these changes was an immediate reduction of just under a third to London FA's income. Alongside this change, the London FA Board also had to forecast the cost of potential further lockdowns and interruptions to the grassroots football season in 2020-21.

Considering these financial challenges and that the changes described to grant, and coach education income are permanent changes to the business, London FA has therefore had to adjust its cost base and took some difficult decisions for the 2020-21 season.

We reduced our overhead costs as an organisation and previous levels of grant income into the game. We have become much more efficient as an organisation - this involved a pay freeze for the 2019-20 and 2020-21 seasons and a staffing reorganisation, resulting in reduced staffing numbers and a lower wage bill. We have also created a significant number of efficiencies by embracing virtual technology for meetings and our disciplinary processes. We were able to furlough London FA staff throughout the three lockdowns, whilst at the same time ensuring that a core team remained in

the business to deliver on our vital football administration and safeguarding duties. Finally, we have also been successful in claiming rate relief from Hammersmith & Fulham Council.

As a result of these measures, we have been able to protect the organisation from the financial impact of the pandemic. The accounts for 2020-21 are available at this link: [Financial Accounts - London FA](#) and indicate that the Association made a significant surplus last year, following the sizeable losses of the previous two seasons. Members should note, however, that most of this surplus (£183,888) simply relates to the rebalancing of London FA's investment portfolio, following a very sharp, pandemic-related drop when the accounts were finalised for the 2019-20 season. £97,838 was also generated from the Covid-19 Job Retention Scheme and Rate Relief grants. Adjusting for these, alongside adding back any taxes, has resulted in an adjusted surplus of £1,029 for the 2020-21 season.

Financial plans for 2021-22

As described in the previous section, the changes we have made to become a leaner and more efficient business over the course of the 2020-21 season means that we have been able to invest in several key activities for the 2021-22 season.

Crucially, we were able to offer significant discounts to clubs through affiliation. Affiliation fees were frozen for the fifth year in a row, we reduced the 'per team' fee by £10 (making it free for youth teams) and offered a 23% discount on Personal Accident insurance (our insurance costs are generally amongst the most competitive across the country). We also offered free entry to all London FA youth cup competitions. These discounts were focused on the 'per team' costs, which are generally the most expensive part of affiliation for our clubs. Alongside this we were also able to invest in temporary staff over the summer period, to ensure that affiliation could be completed for all clubs by the start of the season. These were very tangible actions that recognised and responded to the challenges faced by our Clubs and Leagues.

Members will also be aware that we launched our Racial Equality Action Plan in the 2021-22 season (see corresponding CEO Report) and we have set out an investment of over £100,000 into that plan over the next two seasons.

The financial position of the organisation is positive, with cash-at-bank as of 06 May 2022 at £547,354 and a net asset position of £2,707,551 (this includes our reserves and our office as a significant capital asset on the balance sheet). It is important to note that this cash-at-bank includes grants provided to the County FA by the FA for next season and deferred income from several programmes that are also to be allocated for next season. We have been tracking our spend against budget over the course of this financial year and although not confirmed yet, are projecting a deficit of approximately -£21,000 for the 2021-22 season.

The positive cash position of the business because of the changes described in this report means that we have taken the decision to freeze affiliation fees at 2019-20 levels for the upcoming season (2022-23). This will be the sixth year in a row that affiliation fees have not increased. However, it is important to note that the discounts offered last season because of COVID-19 interruptions will not continue for next season, on account of the pandemic no longer being projected to cause significant disruption to fixtures. We are also likely to have to raise affiliation fees for the 2023-24 season onwards due to the cost-of-living crisis; however, will continue to do all we can to keep these costs as low as possible.

June 2022

Paul Bickerton, London FA CEO

Alistair Morgan, London FA Finance & Risk Non-Executive Director