

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022
FOR
LANCASHIRE FOOTBALL ASSOCIATION LIMITED**

Sedulo Audit Limited
Statutory Auditors
Regency Court
62-66 Deansgate
Manchester
M3 2EN

LANCASHIRE FOOTBALL ASSOCIATION LIMITED

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FOR THE YEAR ENDED 30 JUNE 2022**

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LANCASHIRE FOOTBALL ASSOCIATION LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2022**

DIRECTORS:

J Carlin
J Day-Garner
A H Hashmi
C Howard
S J Kellett
P Kohli
R McQueen
P Newman
M S Wild
D G Flory

SECRETARY:

S C Gerrard

REGISTERED OFFICE:

The County Ground
Thurston Road, Leyland
Preston
Lancashire
PR25 2LF

REGISTERED NUMBER:

03760324 (England and Wales)

SENIOR STATUTORY AUDITOR: David Stansfield

AUDITORS:

Sedulo Audit Limited
Statutory Auditors
Regency Court
62-66 Deansgate
Manchester
M3 2EN

LANCASHIRE FOOTBALL ASSOCIATION LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2022

The directors present their report with the financial statements of the company for the year ended 30 June 2022.

REVIEW OF BUSINESS

Context

The 2021/22 season has been the first season, since the initial Covid-19 pandemic lockdown in March 2020, where football activities have not been curtailed by restrictions.

Whilst concerns around community health and restrictions on daily lives abated during the first half of the season, the latter half was dominated by the impact of the rising cost of living, with squeezes on income felt as inflation rose, and price instability seen in the fuel, energy and food industries affecting all members of our community. The uncertainty and financial impact of the war in Ukraine was felt countrywide, generally, and this has not left our footballing and staffing communities untouched.

Participation numbers, when returning to football at the beginning of the season, were at 91% of pre-pandemic levels. With society opening up and our encouragement through discounted affiliation fees, this increased to 98.7% by the end of the season. The increase in play and footballing activity has had immeasurably positive impacts on the health and wellbeing of our community, who have benefitted from the increased physical activity and social interactions that football brings.

In this season, though, regretfully we have experienced a large reduction in the number of disability players, who have been significantly slower to return to football, and sport generally, reflecting the unique challenges that this group of participants experienced during the pandemic. The specific barriers to play, with concerns around safety being high on this list, continue to have their presence felt. Supporting disability players is a key area of focus for Lancashire FA over the coming seasons, with investment ring-fenced for this priority area as we work to ensure that everyone in our community has equal access to the opportunities and benefits that football brings.

2021/22 Season | Financial Performance

With the uncertainty of the Covid-19 pandemic hanging over the global landscape and having hit particularly hard in the North-West of the country, we had anticipated a further disrupted 2021/22 season for football and that this would reflect in the accounts of the Association.

With society open and no restrictions on football activity, prudent financial management, an unusually high level of discipline income, and the permitted return of off-balance sheet funds, anticipated losses for the year did not transpire and we finished the season with a small, stated surplus of £84k.

Financial Overview

- Turnover including Other Operating Income £1,685k | With players returning to football, income increased beyond the suppressed, previous year's level, in line with the 2019/20 season (the closest comparable season with only Q4 disruption). Grant funding, commercial activity, discipline and education and training all contributed to income with a negligible amount of furlough support received.
- Operating Expenses £1,601k | Increased in line with activity seen, but significantly below the 2019/20 season due to tight control and efficiencies.
- Surplus £84k
- Cash at Hand £1,301k | With ongoing economic uncertainty, it is important to continue to apply a conservative, careful approach to cash management, balanced with the priority to maximise investment into football, to ensure ongoing continuity of the business going forwards into the next financial year.

Income

The following overview highlights the activities contributing to income, and supporting investment into football in Lancashire in the 2021/22 season:

LANCASHIRE FOOTBALL ASSOCIATION LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2022

- FA Grant Funding | The Football Association, as the National Governing Body for football, and recipient of public funding, provide each County Football Association with a grant to support their activities based on their market share. A set amount is agreed at the outset of each three-year strategy cycle and is provided on an annual basis. In the 2021/22 season, the first of the three-year funding cycle, Lancashire FA received a total of £502k in grant funding from the FA, which included the agreed annual amount plus specific purpose grants of £8k for Squads funding, to support ages 12-14 Girls recreational football, £30k of Power Pitch Boost Helping Hands, both of which were part of the FA's distribution of Sport England Innovation Funding. No other grant funding was received by the Association from public investors.

- Commercial Activities | Centring around the County Grounds and providing professional and grassroots fixtures, hospitality and events for corporate and private clients, and partnership and sponsorship activities. Performance continued to build following the facility's establishment as the primary provider of Covid-secure hospitality during the previous season. This area of the business had an increase in income of £198k beyond the 2020/21 season, contributing 26.7% of total income in 2021/22. Pipeline for the 2022/23 season remains steady with a similar performance level expected.

- Education & Training | The offering in this space diversified following a reduction in FA-permitted training and education courses, which The FA centralised in the 2020/21 season. The focus moved to Apprenticeships within the Sports and Coaching arena, with an increased offering from 2 to 6 different standards and development of a network of employers. Education and Training contributed income of £77k during the season and is an area of expected growth in 2022/23, supporting alternative career paths for Lancashire community members with an interest in occupations within football and the wider sporting industry.

- Discipline | With the return to football, and removal of all restrictions, discipline levels increased beyond typically expected levels, contributing £256k to income. With a focus on improving participant behaviour, discipline income is expected to return to pre-Covid levels moving forwards.

- Cost Controls | Continued tight controls on spending have been applied throughout the organisation, and this practice will continue over the coming seasons. In 2021/22, this included careful assessment of providers for grass pitch maintenance and repairs, locking in utilities providers and reviewing insurance packages.

- Balance Sheet | Unspent grants of £44k, previously allocated during the Covid-19 period for specific football development projects, received FA approval for redeployment and have been reintroduced from the balance sheet, with this amount reflected in the surplus and supporting progress with the following specific activity:

- Safeguarding focused work to upskill our community and build greater understanding and awareness.
- Development of new opportunities and conducive environments, to encourage the return to football of disability players.
- Youth engagement work, creating opportunities for young people to feed their ideas into the planning that drives football delivery strategy.
- Inclusion in football, ensuring the game is accessible for all members of our community.

Investment in Football in Lancashire

Highlights of Lancashire FA's contribution to local football in the 2021/22 season include:

- Discounted Affiliation Fees | All clubs benefitted from discounted affiliation fees supporting the return to football. Typically, charges were a maximum of £20 for the season, corresponding to an investment of £56k to directly support clubs.

LANCASHIRE FOOTBALL ASSOCIATION LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2022

- Facilities Development and Investment* | Supporting 30 clubs across 16 districts with £700k+ of investment in Grass Pitches, supporting 60 clubs to secure investment to develop their facilities, securing investment of £1m into projects identified within Local Football Facility Plans and supporting investment into two new changing room pavilion projects, as well as other ongoing projects stretching across the seasons.
- Participation | Supporting 789 clubs, 5,134 teams, across 41 leagues with 78,811 players, providing governance and oversight of the game. This included supporting 20 clubs to access funding to develop new provisions, across 6 leagues with other projects including Sporting Memories, the return of the Ability Counts League, The Orphanage Cup and the Summer Football League.
- Women & Girls | Developing new Wildcats and Squad centres, the County Women's League and the Women's Recreational League to provide flexible play opportunities.
- Referee Development & Mentoring | Providing 16 courses and 2 referee arena events to recognised the efforts of grassroots referees.
- Coach Development | 3 CPD events supporting the development of 90 coaches.
- Safeguarding | Delivering 15 'Adults In Junior Football' workshops to clubs and leagues, visiting 90 games across 58 clubs to conduct safeguarding visits and throughout the season maintained 98%+ DBS compliance across the county.

Football Advisory Boards (FABs) | Establishing 6 FABs on a consultative, advisory basis to provide feedback, test ideas and to hear the perspectives of our stakeholders from different focuses within the game.

Financial Practices

The introduction of systems to tighten internal control and improve time and accuracy efficiency, including Approval Max, for purchase orders, and Dext, for invoice processing.

Risk Control

The Association has a robust risk control system, enabling the Board, Executive and all staff to view the magnitude and likelihood of risks, and the steps taken to mitigate and control their likelihood and impact.

Directors Remuneration

The Non-Executive Director roles at Lancashire FA are voluntary and Directors do not receive remuneration for these positions.

Auditors

Following the annual review of the Auditors used by the Association by the Finance, Audit and Risk Committee, and approval at the December 2021 AGM, the Association appointed Siculo to produce the Audited Accounts for the 2021/22 season. With it being best practice to move Auditors, periodically, to provide a fresh perspective to ensure financial practices remain robust and resilient, this decision was carefully considered and approved.

The audit was completed with no significant issues raised by the auditors for consideration and the Finance, Audit & Risk Committee confirms that Lancashire FA remains a going concern.

*[*Note: limitations with Football Foundation reporting means figures are only available to March 22 and are not for the full year]*

LANCASHIRE FOOTBALL ASSOCIATION LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2022

The Future

The 2022/23 season marks the second year of a 3-year strategy cycle, with our business plan for the season approved by The Football Association in August 2022. Grant funding, totalling c.£1.5m across the 3 years, is a solid basis to support our football activity. However, given elements of uncertainty around future funding levels, following the introduction of the 'market share' model for grant funding, the Association will continue to build up commercial activities to ensure we can financially support all our plans for football in Lancashire.

Participation numbers at the start of the 2022/23 season generally remain comparable to the end of last season, and we expect the game to grow over the year. There are, however, external factors at play and, as the increased costs to run facilities are felt, we do foresee these to be significant challenges to participation and all footballing activity in the coming season.

With the instability caused by the war in Ukraine, the 2022/23 season will involve closely watching and assessing the external environment to ensure we are best placed to support our community through the recession and high inflation environment. With this eroding the disposable income that football participants have to pursue sporting activities, during these uncertain times it is more important than ever for Lancashire FA to support the physical and mental health and wellbeing of our community.

A prudent approach will continue to be applied to spending and overheads, ensuring the ongoing financial viability of the organisation to meet our vision of creating a game for everyone. Our approach will also include building collaborative community partnerships, aiming to meet the challenges we are all facing by, together, shaping innovative solutions as a response, to enable all to continue to benefit from the opportunities of the game, despite the impact of external factors.

As a priority, we will be supporting the return of disability players to the game, and planning activities that promote equality, embrace diversity and embed inclusion within football. We will remain highly vigilant about safeguarding with our commitment to ensuring that all participants experience a safe and enjoyable game. We will also be building on the legacy of England's success in the Women's EUROs providing the opportunities for more women and girls throughout the game.

As we progress with our plans for the 2022/23 season, we will continue to share details across our social media channels and website to keep our footballing community informed of our work and providing many different opportunities to join in, and extending our invitation for everyone to become involved in football in Lancashire.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2021 to the date of this report.

J Carlin
J Day-Garner
A H Hashmi
C Howard
S J Kellest
P Kohli
R McQueen
P Newman
M S Wild

Other changes in directors holding office are as follows:

R E Haydock - resigned 30 June 2022

P G Thornton - resigned 10 November 2021

D G Flory was appointed as a director after 30 June 2022 but prior to the date of this report.

LANCASHIRE FOOTBALL ASSOCIATION LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2022**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 Financial Reporting Standard 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Sedulo Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
A H Hashmi - Director

20 / 12 / 2022

Date:



.....
D G Flory - Director

20 / 12 / 2022

Date:

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LANCASHIRE FOOTBALL ASSOCIATION LIMITED

Opinion

We have audited the financial statements of Lancashire Football Association Limited (the 'company') for the year ended 30 June 2022 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LANCASHIRE FOOTBALL ASSOCIATION LIMITED**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page six, 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 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 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 company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LANCASHIRE FOOTBALL ASSOCIATION LIMITED

Auditors' 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Extent to which the audit was capable of detecting irregularities, including fraud

The primary responsibility for the prevention and detection of fraud rests with directors and management, and we cannot be expected to detect non-compliance with all laws and regulations.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our knowledge of the business and sector, enquiries of directors and management, and review of regulatory information and correspondence. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.

We discussed with directors and management the policies and procedures in place to ensure compliance with laws and regulations and otherwise prevent, deter and detect fraud.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations identified as potentially having a material effect on the financial statements. Our procedures included review of financial statement information and testing of that information, enquiry of management and examination of relevant documentation, analytical procedures to identify unusual or unexpected relationships that may indicate fraud, and procedures to address the risk of fraud through director or management override of controls.

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 Report of the Auditors.

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 a Report of the Auditors 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.



David Stansfield (Senior Statutory Auditor)
for and on behalf of Sedulo Audit Limited
Statutory Auditors
Regency Court
62-66 Deansgate
Manchester
M3 2EN

Date: 20 December 2022

LANCASHIRE FOOTBALL ASSOCIATION LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022**

	2022 £	2021 £
TURNOVER	1,670,766	1,089,774
Administrative expenses	<u>1,601,316</u>	<u>1,373,501</u>
	69,450	(283,727)
Other operating income	<u>14,217</u>	<u>355,096</u>
OPERATING PROFIT	83,667	71,369
Interest receivable and similar income	<u>423</u>	<u>145</u>
PROFIT BEFORE TAXATION	84,090	71,514
Tax on profit	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR	<u><u>84,090</u></u>	<u><u>71,514</u></u>

The notes form part of these financial statements

LANCASHIRE FOOTBALL ASSOCIATION LIMITED (REGISTERED NUMBER: 03760324)

BALANCE SHEET
30 JUNE 2022

	Notes	2022		2021	
		£	£	£	£
FIXED ASSETS					
Tangible assets	5		1,275,544		1,307,843
CURRENT ASSETS					
Stocks		4,170		4,871	
Debtors	6	167,062		77,595	
Cash at bank and in hand		<u>1,301,882</u>		<u>1,352,488</u>	
		1,473,114		1,434,954	
CREDITORS					
Amounts falling due within one year	7	<u>475,124</u>		<u>125,441</u>	
NET CURRENT ASSETS			<u>997,990</u>		<u>1,309,513</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,273,534		2,617,356
CREDITORS					
Amounts falling due after more than one year	8		<u>447,901</u>		<u>875,813</u>
NET ASSETS			<u>1,825,633</u>		<u>1,741,543</u>
RESERVES					
Other reserves			288,758		288,758
Retained earnings			<u>1,536,875</u>		<u>1,452,785</u>
			<u>1,825,633</u>		<u>1,741,543</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 20/12/2022..... and were signed on its behalf by:



.....
D G Flory - Director



.....
A H Hashmi - Director

The notes form part of these financial statements

LANCASHIRE FOOTBALL ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Retained earnings £	Other reserves £	Total equity £
Balance at 1 July 2020	1,381,271	288,758	1,670,029
Changes in equity			
Profit for the year	<u>71,514</u>	<u>-</u>	<u>71,514</u>
Total comprehensive income	<u>71,514</u>	<u>-</u>	<u>71,514</u>
Balance at 30 June 2021	<u>1,452,785</u>	<u>288,758</u>	<u>1,741,543</u>
Changes in equity			
Profit for the year	<u>84,090</u>	<u>-</u>	<u>84,090</u>
Total comprehensive income	<u>84,090</u>	<u>-</u>	<u>84,090</u>
Balance at 30 June 2022	<u>1,536,875</u>	<u>288,758</u>	<u>1,825,633</u>

The notes form part of these financial statements

LANCASHIRE FOOTBALL ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1. STATUTORY INFORMATION

Lancashire Football Association Limited is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the accounting policies below.

Revenue recognition

Turnover is recognised at the fair value of the consideration received or receivable and represents amounts receivable for services rendered, stated net of discounts and of Value Added Tax.

Members affiliation fees, competition entry fees and discipline income are recognised in line with the football season report. Grant income is recognised in the period to which it relates and in which the money is expended. Coach education income is recognised in the period the course is delivered.

Tangible fixed assets

Tangible fixed assets, other than freehold land, are stated at cost less depreciation.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. **ACCOUNTING POLICIES - continued**

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Grants

Grants are classified as either as relating to revenue or relating to assets.

Grants relating to revenue are recognised in income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset.

2. **ACCOUNTING POLICIES - continued**

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102 to all of its financial statements.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which includes debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less, if not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit and loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

LANCASHIRE FOOTBALL ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022**

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 51 (2021 - 42).

4. COMPANY LIMITED BY GUARANTEE

At 30 June 2022 each of the members of the company agrees, in the event of the company being wound up, to contribute to any deficiency in assets a sum not exceeding £10.

5. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 July 2021	1,955,483	124,514	693,830	55,722	2,829,549
Additions	-	5,700	11,268	15,763	32,731
At 30 June 2022	<u>1,955,483</u>	<u>130,214</u>	<u>705,098</u>	<u>71,485</u>	<u>2,862,280</u>
DEPRECIATION					
At 1 July 2021	772,869	113,237	584,945	50,655	1,521,706
Charge for year	38,692	4,353	14,784	7,201	65,030
At 30 June 2022	<u>811,561</u>	<u>117,590</u>	<u>599,729</u>	<u>57,856</u>	<u>1,586,736</u>
NET BOOK VALUE					
At 30 June 2022	<u>1,143,922</u>	<u>12,624</u>	<u>105,369</u>	<u>13,629</u>	<u>1,275,544</u>
At 30 June 2021	<u>1,182,614</u>	<u>11,277</u>	<u>108,885</u>	<u>5,067</u>	<u>1,307,843</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	146,904	31,025
Other debtors	<u>20,158</u>	<u>46,570</u>
	<u>167,062</u>	<u>77,595</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	90,299	77,599
Taxation and social security	18,809	33,059
Other creditors	<u>366,016</u>	<u>14,783</u>
	<u>475,124</u>	<u>125,441</u>

LANCASHIRE FOOTBALL ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022**

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

	2022	2021
	£	£
Other creditors	<u>447,901</u>	<u>875,813</u>

9. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	10,820	-
Between one and five years	<u>43,280</u>	<u>-</u>
	<u>54,100</u>	<u>-</u>