

<b>Title:</b> Finance Report	<b>Meeting:</b> Annual General Meeting
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## Introduction

The London Football Association's financial year runs from 1<sup>st</sup> July through to 30<sup>th</sup> June every year, and the AGM takes place in June/July every year, in line with the grassroots football season. As a result of this, audited accounts for the financial year 2022-23 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 2022-23 accounts will be made available to all members via the London FA website. Audited accounts for the 2021-22 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 2022-23 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 2022-23 season, as well as a summary of the 2021-22 accounts.

## Financial summary of 2021-22

Approximately half of London FA's income is derived directly from the grassroots game (affiliation fees, coach and referee education, cup competition activity, discipline fines and charges, etc), with the remainder coming from the FA as a grant.

The FA reduced the grant to County FA's by 11% as a result of the pandemic and also centralised the delivery of coach education, shifting away from the previous delivery model which had County FA's administrating this programme locally. The role of a County FA in relation to coaching has now changed, 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. To mitigate against this London FA made some difficult decisions throughout the 2020-21 season. We reduced our overhead costs as an organisation, implemented a pay freeze for the 2019-20 and 2020-21 seasons and completed a staffing reorganisation, resulting in reduced staffing numbers and a lower wage bill. We also created a significant number of efficiencies by embracing virtual technology for meetings and our disciplinary processes.

As a result of these measures, we were able to protect the organisation from the financial impact of the pandemic and since that time, we have been successful in significantly growing the affiliated game across London. This has allowed us to replace some of the lost income from the FA with increased income from the grassroots game itself.

As a result of this, for the 2021-22 season, London FA has been able to build the organisation back up to match the increased demand from our now 5,000+ teams. We added two new administrators to the business, across our Football Services and Football Development departments. We were able to invest heavily in our Racial Equality Action Plan in the 2021-22 season, setting aside over



£100,000 into that plan over the next two seasons. Finally, to support our clubs and leagues we kept our affiliation fees frozen for the sixth year in a row.

The accounts for 2021-22 are available at this link: [Financial Accounts - London FA](#) and indicate that the Association made a small surplus last year of £13,140 (inc. revaluation of investments). Members can see that net assets on the balance sheet increased from £2,360,486 to £2,373,626.

## Financial plans for 2022-23

London FA has continued to invest in the organisation over the course of the 2022-23 season. As a result of the cost-of-living crisis we conducted a detailed salary & benefits review for all staff, leading to updated salary bands that are now more competitive within the public sports sector job market. We have moved to Wembley Stadium from our old office base in Fulham (Hurlingham Park) and are implementing a flexible working framework. These changes and investments have improved staff turnover rates and led to increased staff satisfaction.

We have also invested in two new positions in the business to reflect our evolving strategic priorities. The first is a Football Facilities & Investment Officer, to work directly with our clubs and leagues to support their facility priorities and the second is a Volunteer Officer, again to work with clubs and leagues to address their issues around volunteer recruitment, support, and retention. The Volunteer Officer role is a shared position with Middlesex FA (see CEO report for more detail).

Our members will also be aware that, because of the FA's shift to a new affiliation portal, the club affiliation fee will no longer be charged by County FAs for the 2023-24 season. We have restructured our affiliation fees to reflect this, and this results in lower or stand-still affiliation fees for most of our members. This was communicated to members in detail at our recent Club and League Webinar series and all the information is available on our website [here](#).

The financial position of the organisation is positive currently, with cash-at-bank at £639,899 and a net asset position of £2,434,979 (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 £33,669 for the 2022-23 season (figures based on Q3 financial reports, April 2023).

The positive cash position of the business gives us a solid foundation to continue to invest in the organisation and the grassroots game in London for the 2023-24 season. To that end we are working on a plan to re-invest some of our excess reserves over the next few seasons, with more information to be provided to members later in the year. We do have to be mindful over the longer term of the challenging economic conditions, with the cost-of-living crisis placing increased pressure on staffing and energy costs. As a result of this we will also be exploring additional income opportunities over the course of the 2023-24 season, in particular around attracting greater commercial investment into the grassroots game in London.

**June 2023**

**Paul Bickerton, London FA CEO**

**Nina Stewart, London FA Finance & Risk Non-Executive Director**