



<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 2023-24 cannot be made available to members at the AGM, as the financial year has only just closed at the time of circulating the papers and the annual financial audit has just started.

The audited accounts are generally ready by the end of September every year and the 2023-24 accounts will be made available to all members via the London FA website. Audited accounts for the 2022-23 season (and previous seasons) 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 2023-24 season, members instead receive a financial report from the London FA Board and CEO at the AGM. This report summarises the *likely* financial position of the Association at the end of the 2023-24 season, as well as a summary of the financial plans for the upcoming season (2024-25).

## Financial overview

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 pandemic. 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 new technology for meetings, our disciplinary processes and affiliation.

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 means that over the past few seasons we have been able to record a surplus into the organisation, thereby increasing our reserves.

As a not-for-profit organisation, our role is to re-invest any surplus profits back into the grassroots game. Furthermore, the FA have a policy which stipulates that any County FA's that have cash



reserves in excess of eight months of operating costs must demonstrate they are re-investing these back into the game.

Over the past two seasons London FA has been building the organisation back up to match the increased demand from our now 5,500+ teams and re-investing funds into the game. We added two new administrators to the business, across our Football Services and Football Development departments, to improve our customer service to our clubs and leagues. We were also able to invest heavily in our Racial Equality Action Plan, setting aside over £100,000 into that plan over the past two seasons.

This season (2023-24), we agreed with our Board a reserves re-investment plan, to boost the strategic objectives of the business and create a more financially sustainable organisation for the future. This included the creation of several new roles across the business – most notably a Head of Partnerships and a Marketing & Communications Manager, to drive our new commercial programme. We have also enlisted the support of [Altair](#), a consultancy that specialises in supporting not-for-profit organisations to grow their income.

Our excess reserves were also channelled towards increasing capacity in our discipline and women & girls' teams, and we have directed some investment out into the game in the form of grant income. A £50,000 fund was made available as our Women & Girls Pitch Access fund, specifically set out to support the women & girls' game to access better facilities.

More detail on this reserves reinvestment plan is set out in the CEO Report - LFA AGM 2024 #4.

Based on these commitments we are estimating a deficit of -£263,564 (exc. depreciation) for the 2023-24 season, which demonstrates a significant re-investment back into the organisation and the grassroots game in London. The organisation is well placed to manage this deficit, as it retains £1.262m in cash reserves (as set out in London FA's balance sheet, up to 30 April 2024). These cash reserves have reduced this season, from £1.484m in the 2022-23 season, to £1.262m this season.

This means that there are further excess reserves available to the organisation to re-invest for the 2024-25 season and the plans for this are detailed below.

## **Financial plans for 2024-25**

The focus for investment from London FA for next season has been directed by our work to develop a new four-year strategy for the business. Further information on our new strategy is set out in the CEO Report - LFA AGM 2024 #4, and it will be presented to members at the AGM itself.

Further investment into the game is projected through this new strategy. This includes an additional £50,000 to invest into the Women & Girls game next season, as well as investments into our coaching, refereeing, volunteer and positive behaviour plans. As part of our refereeing and coaching work, we will be providing subsidies for select under-represented groups to have better access to formal training and CPD. We are also seeking to invest significantly in the disability game, in partnership with the FA.

Our budget next year also includes projections for commercial income and to support this we are boosting the capacity of our marketing team, to allow us to grow our presence across social media channels and improve our content.



An exciting development this season will be the rebranding of the organisation, in partnership with the branding agency [Mammoth](#). The feedback from our members throughout the strategy consultation is that to be successful in attracting additional income into the game, London FA needs a more modern and relatable brand and identity. We are anticipating this exercise to be concluded in late July and are looking forward to unveiling this to our members.

In total, the budget set out for next season proposes a further -£248,191 deficit, which is a substantial re-investment into the organisation and the grassroots game. This is in line with the FA's policy to not have reserves in excess of eight months of operating costs and we believe also provides London FA with the funds necessary to deliver on its new strategy.

***June 2024***

**Paul Bickerton, London FA CEO**

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