

LEAGUE FOOTBALL EDUCATION

Trustees' Annual Strategic Report and
Financial Statements

A Company Limited by Guarantee

30 June 2023

Registered Company Number: 05143284

Registered Charity Number: 1104917

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Trustees' Annual Strategic Report Reference and Administrative Details

The Trustees, who act as Directors for the purposes of company law, present their report and financial statements for the year ended 30 June 2023.

Charity registration number	1104917
Company registration number	05143284
Principal and registered address	EFL House 10–12 West Cliff Preston PR1 8HU
Trustees	AG Williamson OBE M Molango P Coyle (appointed on 26 th September 2022) N Craig (appointed on 31 st March 2023) T Birch (resigned on 31 st March 2023)
Chief Executive Officer	S Stephen
Company Secretary	S Stephen
Members	The Professional Footballers' Association The Football League Limited
Bankers	Barclays Bank plc PO Box 357 51 Moseley Street Manchester M60 2AU
Auditor	Saffery LLP Mitre House North Park Road Harrogate HG1 5RX
Legal advisor	Mills and Reeve Solicitors LLP 1 Circle Square Symphony Park Manchester M1 7FS Wrigleys Solicitors LLP 3 rd Floor, 3 Wellington Place Leeds LS1 4AP

Trustees' Annual Strategic Report (continued)

The Trustees, who act as Directors for the purposes of company law, are pleased to present their annual trustees' strategic report together with the financial statements of the charity for the year ended 30 June 2023 which are prepared to meet the requirements for a directors' report, a strategic report, and accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and the second edition of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019.

Structure, Governance and Management

League Football Education (LFE) is a charitable company limited by guarantee, incorporated on 2 June 2004 and registered as a charity on 15 July 2004. LFE is governed by its Memorandum and Articles of Association adopted on 16 June 2004 and subsequently amended on 28 July 2010 and 7 September 2012.

Trustees

The Trustees are listed on page 2.

The Board of Trustees is responsible for the overall governance of LFE. Each member of LFE is entitled to appoint up to two Trustees. Trustees are appointed by the members and due to the background and experience of the Trustees appointed they already have a good understanding of LFE's business and of the Charity sector in general, therefore, the training requirements for new Trustees are limited. However, on appointment new Trustees are provided with an overview of LFE, its aims and objectives, business processes and risk strategy together with the Charity Commission's expectations of Trustees.

The Board plan to meet at least quarterly however additional meetings are scheduled should the need arise. The Board approve annual operating plans and budgets and an annual AGM is utilised to approve the Accounts and appoint External Auditors.

The income and property of the Charity shall be applied solely towards the promotion of the Objects and no part shall be paid or transferred directly or indirectly, by way of dividend, bonus or otherwise by way of profit, to members of the Charity, and no Trustee shall be appointed to any office of the Charity paid by salary or fees or receive any remuneration or other benefit in money or money's worth from the Charity.

Every member of the Charity undertakes to contribute such amount as may be required (not exceeding £10) to the Charity's assets if it should be wound up.

The Trustees retain the oversight of the financial and operational activities of the Charity and are responsible for the recruitment and performance of the Chief Executive Officer.

The Trustees meet annually to review the pay and remuneration of the Senior Management Team and in conjunction with the Chief Executive Officer, pay is set according to the market rate at the time and comparisons made with similar roles in other organisations within the industry.

Organisational Structure

Day to day management of LFE is delegated to the Chief Executive Officer who is responsible for implementing policy as agreed by the Trustees. The Chief Executive Officer ensures the Trustees are informed of all financial, operational and strategic developments and ensures all material transactions receive Trustee approval. LFE is committed to maintaining the highest possible standards to meet its social, moral and legal responsibilities to safeguard the welfare of every learner and works in partnership with the English Football League (EFL) and The Professional Footballers' Association (PFA) in order to achieve this. The Chief Executive Officer also has overall responsibility for the safeguarding of the learners.

The Chief Executive Officer is supported by a Senior Management Team and staff split into Educational and Support Teams. The Educational Team manage the delivery of education ensuring co-ordination between the learners, employers and educational partners. The Support Team provide administrative and management support to the Education Team and all stakeholders and ensure that the fundamental company functions such as Quality Assurance, Finance, HR, IT and MIS are delivered effectively.

Trustees' Annual Strategic Report (continued)

The LFE Board consists of representatives from The Professional Footballers' Association and The Football League Limited. LFE provide educational and vocational training for apprentice footballers aged 16 to 18 who aspire to progress to professional footballer status at the end of their Level 3 Sporting Excellence Professional (SEP) Apprenticeship. LFE has a key responsibility to ensure apprentices' personal development and employability skills are catered for given that a high percentage do not achieve professional footballer status and therefore seek alternative positive destinations such as other employment, training or further education. LFE also ensure that the clubs that run a full-time or hybrid youth development programme at under 16 sufficiently monitor the educational progress of these players within the academy system to ensure they are not educationally disadvantaged.

SEP is supported and delivered by a variety of tutors, assessors, youth coaches and education officers based at the football club academies. Education also takes place at Further Education Colleges and other sub-contracted education providers. LFE currently engage with 67 Professional Football Clubs (64 out of the 72 EFL Clubs and 3 from the National League). In addition to the apprenticeship programme LFE also delivered a study programme within 13 EFL club community organisations (CCO's), in conjunction with their Community, Education Football Alliance (CEFA) Games Programme. This programme was new to LFE in 2016/17 and during the year ending 30 June 2023 LFE saw an increase in learner numbers to a total of 605 from 433 in the previous year.

Financial review

The Statement of Financial Activities (SoFA), Balance Sheet, Statement of Cash Flows and notes to the accounts are set out on subsequent pages. The SoFA details total incoming resources of £11.654m, of which £11.519m is income from charitable activities and £135k represents income from cash deposits during the year. The income from charitable activities includes £5.87m from the Education and Skills Funding Agency (ESFA) for the 16-18 apprenticeship delivery and a further £3.11m in respect of the 16-18 study programme. £1.642m was received from the Professional Footballers' Association and £97k was received from The EFL to support the work we carry out with the Professional Football Clubs and their associated Apprentices. A further £140k of income was received from clubs in respect of the co-investment required by the ESFA for employers to contribute towards the cost of their apprenticeship training, together with £661k from Erasmus+ in respect of European transition activities.

During the year resources consumed totalled £11.588m. Of this, £7.713m was spent on the provision of education and training, £2.506m was spent on staff costs and £708k was spent on support costs together with the costs associated with the Erasmus+ programme of £661k. The surplus for the year ended 30 June 2023 was £66k.

Total income increased by £1.98m, predominantly due to an increase in ESFA revenue of £1.45m, £677k on the apprenticeship programme due to summer 2021 and 2022 enrolment numbers having fully returned to pre-pandemic levels, together with £774k on the study programme due to a higher number of learners having enrolled in September 2021 and 2022. The employer co-investment contributions also increased by £22k and interest received by £128k. The Erasmus+ revenue significantly increased in the year by £451k, due to delays in previous years caused by the pandemic. All these increases were partially offset by a small reduction in revenue of £73k from the EFL.

During the year ending 30 June 2023 there was an increase in total expenditure of £2.23m, predominantly caused by an overall increase of £1.1m in respect of the provision of education and training and an increase in staff costs of £593k, support costs of £84k and £451k in respect of the Erasmus + Project.

The charity had an unrestricted funds balance of £2,859,357 as at 30th June 2023. These unrestricted funds are available for general purposes and there considered to be no commitments against these funds for any liability that has not been accrued for.

Risk Review

A review of the risks faced by LFE was conducted during the year and systems established to mitigate those risks. LFE has identified the business risks it faces and has documented these within its 3-year development plan and updates them annually in the form of a risk matrix. The current most significant risks to LFE are the external financial risks together with concerns regarding the long-term sustainability of Football Clubs and their academy operations many of which continue to be under financial strain following the pandemic.

The external risks are those associated with government funded educational programmes. Historically 16-18 year old apprenticeships were fully funded by the government, however in April 2017, this changed with the implementation of the Apprenticeship Levy and the requirement for all employers to contribute towards the cost of apprenticeship training.

Trustees' Annual Strategic Report (continued)

All employers throughout the UK with an annual payroll bill more than £3m are subject to paying the Apprenticeship Levy. The levy fee is 0.5% of the employers' payroll costs in excess of £3m, which is used by the employer to pay for the education of their apprentices via the PAYE system and managed through their Apprentice Service account. Over 2/3rds of the employers that LFE currently provide education and training to are subject to paying the Apprenticeship Levy. However, half of these employers, approximately 20 clubs, do not pay enough Apprenticeship Levy to cover the whole cost of their apprenticeship training and as a result of this, these employers have had to co-invest a further 5% of their shortfall in Levy paid.

The remaining non-levy paying employers that LFE works with are required to pay 5% of the cost of the education and training, as a co-investment, with the government paying the remaining 95%. This is significant amount for each employer, given they provide an apprenticeship programme for approximately 18 apprentices over a two year period. The cost of the co-investment may therefore ultimately reduce the number of apprentices that they choose to employ in future.

The apprenticeship levy and the employer co-investment have now been in place for just over six years and have so far not significantly impacted on the number of apprentices that LFE care for, however, our apprentice intake was lower for the new starts in 2020 mainly due the impact of the pandemic. Since then, recruitment numbers are now back to pre-pandemic levels. Also, over the same six-year period the national minimum wage for apprentices has also increased by 50% so for a club that employs 18 apprentices within their youth department at any one time has an annual cost of £148k, compared to a cost of £98k six years ago. As minimum wages increase this may also affect the number of apprentices recruited by the clubs.

A further risk is that of the longer-term impact of the coronavirus on Football Clubs. All employers are reviewing their cost base to ensure their own long-term sustainability and part of their decision-making process maybe to close their academy operations, which will in turn impact on the revenue and the number of learners LFE take care of.

After due consideration, the Trustees consider that League Football Education has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing these financial statements. Full details are within note 1 of the financial statements.

An additional risk for LFE is that of the Government Review of Subcontracting. LFE support learners on a government funded 16–19-year-old Study Programme within 13 (previously 12) Club Community Organisations (CCO's) across England. Many of these learners come from disadvantaged backgrounds and they are often inspired to continue with their Post16 education through a football environment. However, most of the education delivery of this programme is sub-contracted to the CCO's and this may not be allowable in future under new restrictions proposed by the Government.

Trustees are fully appraised at regular Trustee meetings and between meetings of any issues that impact upon the management of risk.

Reserves policy

The Trustees are aware of the need to hold sufficient unrestricted reserves to enable completion of the educational programme for all learners on programme. Following the implementation of the apprenticeship reforms and the associated overall reduction in funding for each individual apprentice, the funding from the ESFA, in real terms, has continued to reduce. The ESFA income therefore continues to be the largest risk factor for LFE. In previous years the reserves policy had been to establish reserves target of 40% of prior year income with the explicit aim of ensuring support was given to all existing learners. During 2018/19 it was agreed that some of the reserves would be utilised to support the on-programme apprentices and to assist LFE to plan for the rollout of the delivery of the new SEP standard at Football Clubs across England. Some of the reserves were utilised in that year and it was agreed that reserves of 25% of the prior year income would then be appropriate. The unrestricted reserves as at 30th June 2023 stand at £2.86m which is just below the target of 25% of the prior year income. However, it is above the 25% target, when discounting the Erasmus+ revenue. The Trustees believe this would be sufficient to ensure support could be provided to all existing learners while allowing LFE the time necessary to restructure its business model and remain sustainable for the long term, should the need arise in future.

Trustees' Annual Strategic Report (continued)

Objectives and Activities

The Charity's objects ("the Objects") are the advancement of education for the public benefit, in particular, but not exclusively, for apprentice footballers, professional footballers and retired professional footballers.

Public benefit test

From 1 April 2008 the Charities Act 2006 requires all charities to meet the legal requirement that its aims are for the public benefit. The Charity Commission in its "Charities and Public Benefit" guidance states that there are two key principles to be met to demonstrate that an organisation's aims are for the public benefit: firstly, there must be an identifiable benefit and secondly, that the benefit must be to the public or a section of the public. This report sets out the objectives and strategic aims of the charity and its achievements during the year. LFE provide education to those recruited as potential professional footballers irrespective of their race, religion, location or prior educational attainment. LFE also provide Post16 education to a wider section of the community at 13 CCO's across England, many of these learners come from disadvantaged backgrounds and are often inspired to continue with their education after school age within a football environment. The Trustees are satisfied that the aims and objectives of the charity and the activities reported on in this annual report to achieve those aims, meet these principles.

Achievements and performance

LFE has key operational targets to achieve each year and these are shown in the tables below:

Professional Development Phase Football Apprentices	2022/23 Key Targets	2022/23 Results	2023/24 Key Targets
Recruitment - Apprentices	>550	601	>550
Retention - Apprentices	>95%	96%	>95%
SEP – Apprentices through Gateway	>90%	95%	>90%
SEP - Achievement of all EPA aspects	>85%	90%	>85%

Although LFE has now seen 17 cohorts of apprentices complete the apprenticeship programme, this was only the second full cohort of apprentices to complete the SEP Apprenticeship. LFE met or exceeded all four key apprenticeship targets, as set out above, the highlights of which were retention rates of 96% and overall achievement rates of the new standard of 90%. These results are deemed to be excellent considering the cohort that left during 2023 started a brand-new programme during the pandemic.

Club Community Organisations Full-time Study Programme	2022/23 Key Targets	2022/23 Results	2023/24 Key Targets
On Programme – Post 16 education	>500	605	>600
Retention – Post 16 education	>85%	79%	>85%
Achievement Main Aim - Post 16 education	>85%	79%	>85%

LFE recruited a higher than the expected number of Post 16 learners, and the retention rate was below target for the year due to various factors, including some learners choosing not to continue the second year of their course. The learners that remain committed and stay on programme, achieve their main aim at the end of their two-year programme.

Ofsted Inspection

In February 2023 LFE was inspected by Ofsted and was again graded 'Outstanding' across all key judgements, including Quality of Education, Behaviour & attitudes, Personal development and Leadership & Management. This outstanding achievement was reinforced by the successful renewal of both the Investors in People and The Matrix Standard during the 2022/23 year, which are further endorsements of the excellent work LFE carries out with its learners across both the Apprenticeship and Study Programme.

The Trustees believe that the recent independent reviews alongside the wider programme of audit and checks conducted within the education sector and the excellent retention and achievement rates provide all stakeholders with the confidence they require in the governance, management, and delivery mechanisms of LFE.

Trustees' Annual Strategic Report (continued)

Related parties

The details of the related party transactions during the year are shown in note 17 of the financial statements. During the year LFE delivered the training and education of apprentice footballers on behalf of The Football League Limited and The Professional Footballers' Association.

LFE is based at EFL House in Preston, which is also the Head Office of the EFL and as such LFE pay the EFL for the rental of office space together with various associated costs, amounting to £159,144 during the year ending 30th June 2023 compared to £108,128 in 2021/22.

The educational costs of LFE were supported by The Professional Footballers' Association of £1.642m together with additional funding of £97,000 from the EFL during the year ending 30th June 2023 compared to additional funding of £170,431 in 2021/22.

LFE Sports Development Limited is a subsidiary company of League Football Education and was incorporated on 28 November 2008. LFE Sports Development Limited has been dormant since the date of incorporation up to and including 30 June 2023.

Plans for future periods

During 2023/24 LFE will continue to embed the delivery of the SEP Apprenticeship and support for the apprentices' end point assessment on, what is still a relatively new programme. The SEP Apprenticeship Standard was updated and revised in November 2022 therefore the new first year apprentices are starting on the newly updated standard, which results in further systems changes and developments, together with the current apprentice cohorts amending their EPA Plans to coincide with the updated standard.

LFE continue to expand the Life skills and Player care offer to all apprentices given that they are training to perform at the highest level within Football and not all apprentices will achieve this. While doing so, LFE will endeavour to maintain its excellent position regarding retention and achievement together with developing young people that are ready for their next stages in life. LFE will continue to work with Professional Football Clubs to establish different delivery models that suits different employers to ensure the sustainability of the high-quality education that LFE provide, as recently endorsed by Ofsted.

In addition to the apprenticeship programme LFE has now recruited a further cohort of learners on to the 16-18 study programme within 15 EFL club community organisations (CCO's) in conjunction with the CEFA Games Programme. Whilst this programme will grow in learner numbers as many school leavers seek alternative educational provision away from the traditional sixth form or college environment. We will work in partnership with the CCO's to ensure the aims of the programme meet with the aims and expectations of LFE and provide a stepping stone at age18 into employment or higher education, inspiring those school leavers to engage in Post 16 education through the power of football.

Trustees' Annual Strategic Report (continued)

Statement of Trustees' responsibilities

The trustees (who are also directors of League Football Education for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The trustees' annual strategic report was approved by the Board of Trustees and was signed on its behalf by:



Maheta Molango
Trustee
EFL House
10-12 West Cliff
Preston
PR1 8HU

Date: 14/02/2024

Independent Auditor's Report to the Members of League Football Education

Opinion

We have audited the financial statements of League Football Education for the year ended 30 June 2023 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including 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 charitable company's state of affairs as at 30 June 2023 and of its incoming resources and application of resources, including its income and expenditure, 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 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable 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 trustees' 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 charitable 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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees 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.

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 course of 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.

Independent Auditor's Report to the Members of League Football Education (continued)

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 Trustees' Annual Report which includes the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the trustees (who are also directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the charitable 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Independent Auditor's Report to the Members of League Football Education (continued)

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales. Further the charitable company is subject to other laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, through significant fine, litigation or restrictions on the charitable company's operations. We identified the most significant laws and regulations to be funding rules and guidance issued by the Education and Skills funding Agency (ESFA) and guidance issued by Department for Education.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and we reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities, including the Department for Education, to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available 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 charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery LLP

Sally Appleton (Senior Statutory Auditor)
for and on behalf of Saffery LLP

Chartered Accountants Statutory Auditors

Mitre House
North Park Road
Harrogate HG1 5RX

Date: 20 February 2024

Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of Financial Activities (incorporating Income & Expenditure Account)

For the year ended 30 June 2023

	<i>Note</i>	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Income from:					
Charitable activities	2	10,857,890	661,451	11,519,341	9,668,258
Investments		135,375	-	135,375	7,585
Total income		10,993,265	661,451	11,654,716	9,675,843
Expenditure on:					
Charitable activities	3	(10,927,431)	(661,451)	(11,588,882)	(9,358,416)
Total expenditure		(10,927,431)	(661,451)	(11,588,882)	(9,358,416)
Net income / expenditure		65,834	-	65,834	317,427
Net movement in funds		65,834	-	65,834	317,427
Reconciliation of funds					
Fund balances brought forward at 1 July		2,793,523	-	2,793,523	2,476,096
Fund balances carried forward at 30 June		2,859,357	-	2,859,357	2,793,523

The net expenditure and resulting net movement in funds arise from continuing operations.

The charitable company has no recognised gains or losses other than the net movement in funds for the year.

The notes on pages 15 to 25 form an integral part of the financial statements.

Balance Sheet

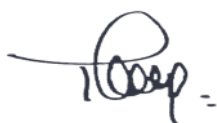
As at 30 June 2023

A Company Limited by Guarantee

	<i>Note</i>	2023	2022
		£	£
Fixed assets			
Tangible assets	7	33,371	31,788
Current assets			
Debtors	8	1,562,937	3,786,920
Cash at bank and in hand	12	4,732,384	2,881,524
Current investments	13	-	-
		6,295,321	6,668,444
Creditors: amounts falling due within one year	9	(3,469,335)	(3,906,709)
Net current assets		2,825,986	2,761,735
Total assets less current liabilities		2,859,357	2,793,523
The funds of the charity:			
Unrestricted funds		2,859,357	2,793,523
Restricted funds		-	-
Total charity funds		2,859,357	2,793,523

The charity has no debt and therefore there is no requirement to show the net debt analysis.

These financial statements were approved by the Board of Trustees and were signed on its behalf by:



M Molango
Trustee

Date: 14/02/2024

Statement of Cash Flows
For the year ended 30 June 2023

	<i>Note</i>	£	2023 £	£	2022 £
Cash flows from operating activities:					
Net cash provided / (used) by operating activities	<i>11</i>		1,729,159		(1,008,918)
Cash flows from investing activities:					
Cash interest from investments			135,375	7,585	
Proceeds from the sale of equipment			21,500	24,550	
Purchase of equipment			(35,174)	-	
Cash received from 'closure of current investments'			-	1,257,988	
			<hr/>	<hr/>	
Net cash received in investing activities			121,701		1,290,123
			<hr/>		<hr/>
Change in cash and cash equivalents in the reporting period			1,850,860		281,205
Cash and cash equivalents at the beginning of the reporting period			2,881,524		2,600,319
			<hr/>		<hr/>
Cash and cash equivalents at the end of the reporting period	<i>12</i>		4,732,384		2,881,524
			<hr/> <hr/>		<hr/> <hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charitable company's financial statements.

Company status

League Football Education is a charitable company limited by guarantee and does not have a share capital. The liability of the members is limited, but is not to exceed £10 per member.

Basis of preparation

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and the second edition of Accounting and Reporting by Charities: Statement of Recommended Practice (2019) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

The accounts have been prepared on a historical cost basis and on a going concern basis.

League Football Education has prepared cash flow forecasts for a period of 18 months from the date of approval of these financial statements. After reviewing these forecasts LFE is of the opinion that there will still be sufficient funds to meet its liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period). LFE has reserves of £2.86m including £4.7m in cash in addition to this LFE has no long-term debt.

The revenue generated by LFE is predominantly driven by the number of elite academy apprentices recruited by clubs within the EFL with more than 65 of the 72 professional clubs running academies and recruiting apprentices every year. Although some clubs may choose to recruit slightly fewer apprentices, the core provision of LFE is retained.

Consequently, LFE is confident that it has sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Fixed assets and depreciation

Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

- Fixtures & fittings 10% to 25% per annum
- Motor vehicles & IT equipment 33% per annum

Asset capitalisation policy

Assets are capitalised when all of the following criteria are met:

- Assets purchased have a useful life of one year or more and cost more than £3,000.

Debtors

Debtors include amounts owed to the charity for the provision of goods and services or amounts paid in advance for the goods and services it will receive.

Debtors also include amounts receivable to which the charity is entitled.

Notes *(continued)*

Income from charitable activities

Income from funding providers, including government departments, is credited to the income and expenditure account to the extent that the charitable company has provided its services. Where such incoming resources are received in advance the income is deferred until the charitable company becomes entitled to the resources.

Investment income

Interest receivable on cash balances is credited to the income and expenditure account as it becomes due.

Resources expended

Expenses are accounted for on an accrual's basis.

Charitable expenditure includes the direct costs of the activities. Support costs are also incurred to enable the charitable company to provide these activities.

Lease costs

Charitable expenditure includes the cost of the lease for the rental of the head office premises. These costs are recognised as an expense of the charity and are accounted for on an accruals basis.

Pension costs

The company pays contributions to personal money purchase pension schemes for eligible employees and accounts for the amount in the income and expenditure account.

Funds

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Restricted funds are funds received under a grant agreement and can only be used for a specific purpose.

Creditors and Provisions policy

A provision will be made within the accounting period when the following applies:

- the obligation became due as a result of a past event,
- it is probable that the charity will be required to pay, and
- the amount of the obligation can be estimated reliably.

Financial Instruments

The charitable company only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and are subsequently recognised at their settlement value.

Notes (continued)

2 Income from charitable activities

	Provision of education & training 2023	Erasmus + 2023	Total Funds 2023	Total Funds 2022
	£	£	£	£
Unrestricted Funds				
Education and Skills Funding Agency	8,978,868	-	8,978,868	7,527,715
The Football League Limited	97,000	-	97,000	170,431
The Professional Footballers' Association	1,642,000	-	1,642,000	1,642,000
Apprenticeship Employers Co-Investment	140,022	-	140,022	117,689
Erasmus+	-	661,451	661,451	210,423
	<u>10,857,890</u>	<u>661,451</u>	<u>11,519,341</u>	<u>9,668,258</u>

Income from charitable activities during 2021/22

	£	£	£	£
	Provision of education & training	Erasmus +	Total Funds	Total Funds
Unrestricted Funds				
<i>Education and Skills Funding Agency</i>	<i>7,527,715</i>	<i>-</i>	<i>7,527,715</i>	<i>6,234,481</i>
<i>The Football League Limited</i>	<i>170,431</i>		<i>170,431</i>	<i>204,822</i>
<i>The Professional Footballers' Association</i>	<i>1,642,000</i>		<i>1,642,000</i>	<i>1,642,000</i>
<i>Apprenticeship Employers Co-Investment</i>	<i>117,689</i>		<i>117,689</i>	<i>96,836</i>
<i>Erasmus+</i>	<i>-</i>	<i>210,423</i>	<i>210,423</i>	<i>-</i>
	<u><i>9,457,835</i></u>	<u><i>210,423</i></u>	<u><i>9,668,258</i></u>	<u><i>8,178,139</i></u>

3 Analysis of expenditure on charitable activities

	Direct Costs 2023	Support Costs 2023	Total Costs 2023	Total Costs 2022
	£	£	£	£
Direct costs of the provision of education & training	7,713,108	3,214,323	10,927,431	9,147,993
Erasmus +	661,451	-	661,451	210,423
	<u>8,374,559</u>	<u>3,214,323</u>	<u>11,588,882</u>	<u>9,358,416</u>
<i>Analysis of expenditure on charitable activities in 2021/22</i>				
	£	£	£	£
<i>Direct costs of the provision of education & training</i>	<i>6,610,761</i>	<i>2,537,232</i>	<i>9,147,993</i>	<i>7,941,748</i>
<i>Erasmus +</i>	<i>210,423</i>	<i>-</i>	<i>210,423</i>	<i>-</i>
	<u><i>6,821,184</i></u>	<u><i>2,537,232</i></u>	<u><i>9,358,416</i></u>	<u><i>7,941,748</i></u>

Support costs are further analysed in note 4.

Notes (continued)

4 Analysis of support costs

	Provision of education & training 2023	Erasmus + 2023	Total Support Costs 2023	Total Support Costs 2022
	£	£	£	£
Wages and salaries	2,505,867	-	2,505,867	1,912,546
Motor vehicle expenses	105,239	-	105,239	73,722
Travel and subsistence	84,949	-	84,949	58,665
Rent and rates	132,689	-	132,689	106,528
Insurance	8,467	-	8,467	9,520
Telephone	45,267	-	45,267	47,932
IT	88,559	-	88,559	66,385
Repairs and renewals	820	-	820	1,563
Printing, stationery and postage	13,084	-	13,084	7,886
Publications	74,676	-	74,676	63,127
Audit fees	22,000	-	22,000	18,000
Legal and professional fees	15,971	-	15,971	13,072
General expenses	82,719	-	82,719	71,689
Bank charges	425	-	425	2,802
Depreciation	33,591	-	33,591	83,795
	3,214,323	-	3,214,323	2,537,232

Notes (continued)

5 Staff numbers and costs

The Directors, who are also Trustees of the charitable company are not remunerated and as such are not regarded as employees. The average number of persons employed by the charitable company during the year, analysed by category, was as follows:

	2023 Number of employees	2022 Number of employees
Regional and teaching staff	58	38
Administrative staff	13	13
Indirect staff	5	5
	<u>76</u>	<u>56</u>

The aggregate payroll costs of these persons were as follows:

	2023 £	2022 £
Wages and salaries	2,043,560	1,514,946
Social security costs	212,863	170,048
Other pension costs	249,444	227,552
	<u>2,505,867</u>	<u>1,912,546</u>

The number of employees that receive total emoluments that exceed £60,000, including the value of all benefits received, including employers' pension contributions and employers' national insurance, are as follows:

	2023 Number of employees	2022 Number of employees
£70,000 - £79,999	1	2
£80,000 - £89,999	2	0
£90,000 - £99,999	0	1
£100,000 - £109,999	0	0
£110,000 - £119,999	0	1
£120,000 - £129,999	1	0

The total remuneration paid includes the value of all benefits together with the employer's national insurance contributions to the four key management personnel during the year was £361,808 compared to £349,567 during 2021/22. Total contributions of £51,032 were paid into their personal money purchase pension schemes, compared to £64,891 during 2021/22.

6 Operating lease

LFE recognised an annual rental expense of £61,834 in the year in respect of the rental of the head office of the charity. The operating lease is due to expire on 28 November 2031.

	2023 £	2022 £
The total future minimum lease payments under non-cancellable operating leases are as follows:		
Due within 1 year	51,528	51,528
Due after 1 and within 5 years	206,112	206,112
Due after 5 years	154,584	206,112

Notes *(continued)*

7 Tangible fixed assets

	Fixtures & fittings £	IT equipment £	Motor vehicles £	Total £
<i>Cost</i>				
At beginning of period	-	-	335,450	335,450
Additions	-	-	35,174	35,174
Disposals	-	-	(75,950)	(75,950)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	-	-	294,674	294,674
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At beginning of period	-	-	303,662	303,662
Charge for period	-	-	33,591	33,591
Disposals	-	-	(75,950)	(75,950)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	-	-	261,303	261,303
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 30 June 2023	-	-	33,371	33,371
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2022	-	-	31,788	31,788
	<hr/>	<hr/>	<hr/>	<hr/>

All fixed assets are held for charitable purposes.

8 Debtors

	2023 £	2022 £
Trade debtors	1,077,292	1,653,902
Prepayments and accrued income	485,645	2,133,018
	<hr/>	<hr/>
	1,562,937	3,786,920
	<hr/>	<hr/>

9 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	307,210	322,794
Taxation and social security	105,111	45,988
Accruals and deferred income	3,057,014	3,537,927
	<hr/>	<hr/>
	3,469,335	3,906,709
	<hr/>	<hr/>

Notes (continued)

10 Movement of deferred income

	2023 £	2022 £
Deferred income brought forward	779,706	984,529
Change in the year	(699,536)	(204,823)
	<hr/>	<hr/>
Deferred income carried forward	80,170	779,706
	<hr/> <hr/>	<hr/> <hr/>

£745k of the deferred income brought forward related to income received in advance for the Erasmus + project. The specific projects for which this income related were carried out during 2022/23, however, due to various delays caused by the pandemic and Brexit the project was of a lower value and as a result of this the amount of funds received in excess of the project were refunded back to Erasmus+. The balance at the year end June 2023 relates to revenue received from clubs in respect of their full Apprenticeship Co-Investment for apprentices that are on a two year programme together and this element relates to the 2023/24 year.

11 Reconciliation of net expenditure to net cash flow from operating activities

	2023 £	2022 £
Net cash for the reporting period (as per the statement of financial activities)	65,834	317,427
Adjustments for:		
Interest from investments	(135,375)	(7,585)
Depreciation charges	33,591	83,795
Profit on the sale of fixed assets	(21,500)	(15,556)
Decrease / (increase) in debtors	2,223,983	(1,957,190)
(Decrease) / increase in creditors	(437,374)	570,191
	<hr/>	<hr/>
Net cash provided by operating activities	1,729,159	(1,008,918)
	<hr/> <hr/>	<hr/> <hr/>

12 Analysis of Cash and Cash equivalents

	2023 £	2022 £
Cash in hand	4,732,384	2,881,524
	<hr/>	<hr/>
Total Cash and Cash equivalents	4,732,384	2,881,524
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

13 Current investments

	2023 £	2022 £
Current investments brought forward	-	1,257,988
Change in the year	-	7,585
Transfer of current investment cash	-	(1,265,573)
	<hr/>	<hr/>
Current investments carried forward	-	-
	<hr/> <hr/>	<hr/> <hr/>

As at 30th June 2022 the current investments related to funds held within a 95 day deposit account and the change in the previous year represented the interest received on the investment together with the closure of the investment and a transfer to cash, due to the bank giving notice on funds held of less than £5m.

14 Outline summary of fund movements

	Funds Balances brought forward £	Income £	Expenditure £	Transfers £	Gains and losses £	Fund Balances Carried forward £
Unrestricted Funds	2,793,523	10,993,265	(10,927,431)	-	-	2,859,357
Restricted Funds	-	661,451	(661,451)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,793,523	11,654,716	(11,588,882)	-	-	2,859,357
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Outline summary of fund movements in 2021/22

	£	£	£	£	£	£
Unrestricted Funds	2,476,096	9,465,420	(9,147,993)	-	-	2,793,523
Restricted Funds	-	210,423	(210,423)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,476,096	9,675,843	(9,358,416)	-	-	2,793,523
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The unrestricted funds relate to the government funding of the Apprenticeship and the Study Programmes together with the income from The Professional Footballers' Association and The Football League Limited. The restricted funds are in respect of Grant funding for the Erasmus + Programme. This relates to income and expenditure specifically for the purposes of European placements and tours for apprenticeship players and staff together with funding for some players at the end of their apprenticeship programme, to assist with their transition onto their next steps in life. This grant was traditionally applied for on an annual basis and expenditure under this grant is restricted to this programme.

Notes (continued)

15 Analysis of net assets between funds

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £
Tangible Fixed Assets	33,371	-	33,371
Current Assets	6,295,321	-	6,295,321
Current Liabilities	(3,469,335)	-	(3,469,335)
	<u>2,859,357</u>	<u>-</u>	<u>2,859,357</u>

Analysis of net assets between funds in 2021/22

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
<i>Tangible Fixed Assets</i>	31,788	-	31,788
<i>Current Assets</i>	6,668,444	-	6,668,444
<i>Current Liabilities</i>	(3,906,709)	-	(3,906,709)
	<u>2,793,523</u>	<u>-</u>	<u>2,793,523</u>

16 Pension scheme

The charitable company's employees are members of different pension schemes. These include various Personal Money Purchase Pension Schemes and the Teachers' Pension Scheme. All the personal pension schemes are defined contribution schemes, while the Teachers' Pension Scheme is a defined benefit scheme. The Teachers' Pension Scheme cannot separately identify the assets and liabilities attributable to individual members and only two employees of the charitable company are members of the Teachers' Pension Scheme therefore further disclosures have not been made. During the year ended 30 June 2023 total pension contributions were £249,444 compared to £227,522 during the year ended 30 June 2022.

Notes (continued)

17 Related party transactions

During the year, the charitable company delivered the training and education of apprentice footballers on behalf of The Football League Limited and The Professional Footballers' Association. The Football League Limited and The Professional Footballers' Association are both members of The Charity. The expenditure during the year with The Football League Limited represents the rental of the LFE Head offices together with the associated office costs, also including postage and the cost of sponsoring and attending the EFL annual Awards, in recognition of the Apprentice of the Year Awards.

Related party transactions during the year were as follows:

	Income during 2023 £	Accrued Income / Debtor 2023 £	Expenditure during 2023 £	Creditor/ Accrual 30 June 2023 £
The Football League Limited	97,000	-	159,144	112,474
The Professional Footballers' Association	1,642,000	-	-	-
	<u>1,739,000</u>	<u>-</u>	<u>159,144</u>	<u>112,474</u>

Related party transactions during the previous year were as follows:

	Income during 2022 £	Accrued Income / Debtor 2022 £	Expenditure during 2022 £	Creditor/ Accrual 30 June 2022 £
The Football League Limited		170,431	108,128	28,118
The Professional Footballers' Association	1,642,000	1,642,000	-	-
	<u>1,642,000</u>	<u>1,842,431</u>	<u>108,128</u>	<u>28,118</u>

Notes (continued)

18 Prior year Statement of Financial Activities (incorporating Income & Expenditure Account) For the year ended 30 June 2022

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Income from:					
Charitable activities	2	9,457,835	210,423	9,668,258	8,178,139
Investments		7,585	-	7,585	5,866
Total income		9,465,420	210,423	9,675,843	8,184,005
Expenditure on:					
Charitable activities	3	(9,147,993)	(210,423)	(9,358,416)	(7,941,748)
Total expenditure		(9,147,993)	(210,423)	(9,358,416)	(7,941,748)
Net income / expenditure		317,427	-	317,427	242,257
Net movement in funds		317,427	-	317,427	242,257
Reconciliation of funds					
Fund balances brought forward at 1 July		2,476,096	-	2,476,096	2,233,839
Fund balances carried forward at 30 June		2,793,523	-	2,793,523	2,476,096