

# **LEAGUE FOOTBALL EDUCATION**

Trustees' Annual Strategic Report and  
Financial Statements  
A Company Limited by Guarantee  
30 June 2021



Registered Company Number: 05143284  
Registered Charity Number: 1104917

## Contents

Trustees' Annual Strategic Report	2
Independent Auditors' Report to the Members of League Football Education	9
Statement of Financial Activities (incorporating Income & Expenditure Account)	12
Balance Sheet	13
Statement of Cash Flows	14
Notes	15

## 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 2021.

<b>Charity registration number</b>	1104917
<b>Company registration number</b>	05143284
<b>Principal and registered address</b>	EFL House 10-12 West Cliff Preston PR1 8HU
<b>Trustees</b>	G Taylor OBE (retired on 30 <sup>th</sup> June 2021) D Wilson AG Williamson OBE T Birch (appointed on 7 <sup>th</sup> January 2021) M Molango (appointed on 11 <sup>th</sup> October 2021)
<b>Chief Executive Officer</b>	S Stephen
<b>Company Secretary</b>	N Craig
<b>Members</b>	The Professional Footballers' Association The Football League Limited
<b>Bankers</b>	Barclays Bank plc PO Box 357 51 Moseley Street Manchester M60 2AU  UBS AG London Branch 5 Broadgate London EC2M 2AN
<b>Auditor</b>	Saffery Champness LLP Mitre House North Park Road Harrogate HG1 5RX
<b>Legal advisor</b>	Mills and Reeve Solicitors LLP 1 Circle Square Symphony Park Manchester M1 7FS  Wrigleys Solicitors LLP 19-21 Cookridge Street Leeds LS2 3AG

## **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 2021 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 2015.

### **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 Apprenticeship in Sporting Excellence (ASE) or the 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.

ASE and SEP are 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 65 Clubs (63 out of the 72 EFL Clubs and 2 from the National League). In addition to the apprenticeship programme LFE also delivered a study programme within 9 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 2021 LFE saw an increase in learner numbers to a total of 381.

### 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 £8.184m, of which £8.178m is income from charitable activities and £6k represents income from interest on investment and cash deposits. The income from charitable activities includes £4.568m from the Education and Skills Funding Agency (ESFA) for the 16-18 apprenticeship delivery and a further £1.67m in respect of the 16-18 study programme. £1.642m was received as a grant from the Professional Footballers' Association Charity and £204k was received from The EFL to support the work we carry out with the Clubs. A further £97k 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.

During the year resources consumed totalled £7.942m. Of this, £5.84m was spent on the provision of education and training, £1.59m was spent on staff costs and £516k was spent on support costs. The surplus for the year ending 30 June 2021 was £242k.

Total income reduced by £182k, predominantly due to a reduction in ESFA revenue on the apprenticeship programme as there were fewer apprentices recruited in the summer of 2020 caused by the pandemic.

The total income has also reduced due to the delay of the Erasmus + project, again caused by the coronavirus pandemic; the income on this programme in the previous year was £836k and this has fallen to nil during the year end 30 June 2021. To offset this significant reduction in revenue, there was an increase in study programme funding of £833k, due to a higher volume of learners on this programme.

During the year ending 30 June 2021 there was a small reduction in total expenditure of £9k. There was a significant saving in the costs of the Erasmus + project, as this did not take place, however these savings were offset by the increased costs of additional learners on the study programme together with an increase in the staff costs of £129k. These increases were partially offset by a saving of £65k in overall support costs due to reduced travelling and the cancellation of events caused by the pandemic.

The charity had an unrestricted funds balance of £2,476,096 as at 30<sup>th</sup> June 2021. 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 are under further financial strain due to the coronavirus pandemic.

The external risks are those associated with the continued efforts by the government to not only reduce public spending but to completely restructure the funding model and delivery method of Apprenticeships in England. Historically 16-18 year old apprenticeships had been 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 half 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 support are no longer entitled to fully funded apprenticeship training instead, with effect from May 2017 employers were required to pay 10% of the cost of the education and training, as a co-investment, with the government paying the remaining 90%. Although, with effect from the apprenticeship intake for 2020 the co-investment required by clubs has now reduced to 5%. Albeit this is a step in the right direction, for employers with financial constraints, the cost of the co-investment may 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 four 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 coronavirus and the cost of recruiting an apprentice.

In addition to these funding changes the educational content of the Apprenticeship has now been redeveloped in conjunction with all employers and the Institute for Apprenticeships and Technical Education (IfATE). In previous years all LFE apprentices undertook an Apprenticeship Framework and these Frameworks are being replaced by Apprenticeship Standards. LFE was part of the trailblazer group which developed the new apprenticeship standard, known as the Sporting Excellence Professional (SEP) Standard which was finally approved in May 2020, in readiness for LFE to run a pilot programme for the new apprenticeship starts. During 2020/21 LFE has been piloting the delivery and end point assessment of the new SEP Standard with 7 employers in readiness for the full rollout of the new programme to the remaining clubs, which took place during July and August 2020, with this whole cohort preparing for their End Point Assessments during the first quarter of 2022.

A further risk is that of the long term impact of the coronavirus on Football Clubs. All employers are inevitably going to review 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 we 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 Study Programme within 12 (previously 9) Club Community Organisations (CCO's) across England. Many of these learners come from disadvantaged backgrounds and they are often inspired to continue with their 16-18 education through a football environment. However, the vast majority of the education delivery of this programme is sub-contracted to the CCO's and this may not be allowable under new restrictions proposed by the Government.

Trustees are fully appraised at regular Trustee meetings and also 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 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 be appropriate. The unrestricted reserves as at 30<sup>th</sup> June 2021 stand at £2.48m which is above the target of 25% of the prior year income. The Trustees believe this would be sufficient to ensure support could be

## Trustees' Annual Strategic Report (continued)

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.

### 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 in order 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, income or prior educational attainment. LFE also provide Post 16 education to a wider section of the community at 12 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 table below:

	2020/21 Key Targets	2020/21 Results	2021/22 Key Targets
Recruitment - Apprentices	>550	527	>550
Retention - Apprentices	>95%	97%	>95%
Achievement - Apprentices	>85%	94%	>85%
BAME recruitment	>20%	31%	>20%
BAME retention	>95%	96%	>95%
BAME achievement	>85%	90%	>85%
Recruitment – Post 16	>200	252	>225
Retention – Post 16	>90%	95%	>95%
Achievement - Post 16	>85%	95%	>85%

LFE has now seen 16 cohorts of apprentices complete the ASE programme. LFE exceeded five out of six key apprenticeship operational targets, as set out above, the highlights of which were retention rates of 97% and achievement rates of 94%. These results are deemed to be excellent considering the cohort that left during 2021 had been employed within their academies during the coronavirus pandemic. The results also include 68 apprentices on the new SEP Standard and not the traditional ASE framework. These results show consistently outstanding retention and achievement rates throughout all LFE programmes. The target that was not achieved was that of the number of apprentices recruited, which was lower than expected predominantly caused by the impact of the pandemic and is a one-off, as the recruitment for the 2021/22 year is once again greater than the 550 target.

In April 2012 LFE was inspected by Ofsted and was graded as an outstanding provider across all 23 areas of the inspection criteria including Leadership and Management, Quality of Provision, Outcomes for Learners, Safeguarding and Equality & Diversity. This achievement was confirmed by an inspection carried out by Estyn in January 2013 where the overall performance of LFE was rated as excellent. These outstanding achievements were reinforced by the award of The Matrix Standard in July 2015 and the renewal of the full award in July 2020, which is a further endorsement of the excellent work LFE carries out with its learners across both the Apprenticeship and Study Programme.

The Trustees believe that the 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.

### Related parties

The details of the related party transactions during the year are shown in note 18 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 Charity.

## **Trustees' Annual Strategic Report (continued)**

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 £114,403 during the year ending 30<sup>th</sup> June 2021.

The educational costs of LFE were supported by a grant from The Professional Footballers' Association Charity of £1.642m together with additional funding of £204,822 from the EFL during the year ending 30<sup>th</sup> June 2021.

The Football League (Community) Limited has also been highlighted as a related party and during the year ending 30<sup>th</sup> June 2021, LFE paid £1k for the management of the Futsal Games Programme, for which LFE work with clubs to provide the delivery of education to the learners enrolled on this programme.

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 2021.

### **Plans for future periods**

In 2021/22 LFE is supporting the first full cohort of 581 apprentices, through their end point assessment on the new SEP Standard, and while doing so, LFE will endeavour to maintain its excellent position regarding retention and achievement. LFE will also continue to enhance the programme delivery and provide support to Football clubs and CCO's throughout the ongoing disruption caused by the pandemic. LFE will work with Clubs to establish different delivery models that will suit different employers to ensure the sustainability of the high-quality education that LFE provide, as previously endorsed by Ofsted.

In addition to the apprenticeship programme LFE has now recruited a sixth cohort of learners on to the 16-18 study programme within 11 EFL club community organisations, in conjunction with the CEFA Games Programme. Whilst this programme may grow in numbers, we will work in partnership with the CCO's to ensure the aims of this programme meet with the aims of LFE and provide a stepping stone at 18 into employment or higher education, inspiring those school leavers to engage in Post 16 education.

## 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.

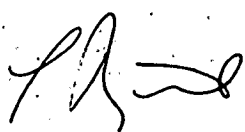
The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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 reparation 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:



**Trevor Birch**  
Trustee  
EFL House  
10-12 West Cliff  
Preston  
PR1 8HU

**Date: 01<sup>st</sup> March 2022**

## **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 2021 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 2021 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](http://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 Champness LLP*

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

Chartered Accountants  
Statutory Auditors

Mitre House  
North Park Road  
Harrogate HG1 5RX

Date: 3 March 2022

Saffery Champness 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 2021*

	<i>Note</i>	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
<b>Income from:</b>					
Charitable activities	2	8,178,139	-	8,178,139	8,347,824
Investments		5,866	-	5,866	18,312
Total income		8,184,005	-	8,184,005	8,366,136
<b>Expenditure on:</b>					
Charitable activities	3	(7,941,748)	-	(7,941,748)	(7,950,735)
Total expenditure		(7,941,748)	-	(7,941,748)	(7,950,735)
<b>Net income / expenditure</b>		242,257	-	242,257	415,401
<b>Net movement in funds</b>		242,257	-	242,257	415,401
<b>Reconciliation of funds</b>					
Fund balances brought forward at 1 July		2,233,839	-	2,233,839	1,818,438
<b>Fund balances carried forward at 30 June</b>		2,476,096	-	2,476,096	2,233,839

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 24 form an integral part of the financial statements.

## Balance Sheet

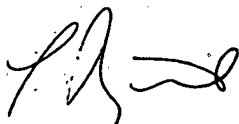
*As at 30 June 2021*

*A Company Limited by Guarantee*

	Note	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	7		124,577		204,363
<b>Current assets</b>					
Debtors	8	1,829,730		2,403,572	
Cash at bank and in hand	13	2,600,319		1,166,832	
Current investments	14	1,257,988		1,252,122	
		5,688,037		4,822,526	
<b>Creditors: amounts falling due within one year</b>	9	(3,336,518)		(2,793,050)	
<b>Net current assets</b>			2,351,519		2,029,476
<b>Total assets less current liabilities</b>			2,476,096		2,233,839
<b>The funds of the charity:</b>					
Unrestricted funds			2,476,096		2,233,839
Restricted funds			-		-
<b>Total charity funds</b>			2,476,096		2,233,839

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:



**T Birch**  
Trustee

Company number: 05143284  
Date: 01st March 2022



**M Molango**  
Trustee

**Statement of Cash Flows**  
*For the year ended 30 June 2021*

	<i>Note</i>	£	2021 £	£	2020 £
<b>Cash flows from operating activities:</b>					
Net cash provided / (used) by operating activities	12		1,437,287		115,143
<b>Cash flows from investing activities:</b>					
Cash interest from investments		-		2,812	
Proceeds from the sale of equipment		21,700		35,500	
Purchase of equipment		(25,500)		(127,200)	
			<hr/>	<hr/>	
<b>Net cash used in investing activities</b>			<b>(3,800)</b>		<b>(88,888)</b>
			<hr/>		<hr/>
<b>Change in cash and cash equivalents in the reporting period</b>			<b>1,433,487</b>		<b>26,255</b>
Cash and cash equivalents at the beginning of the reporting period			1,166,832		1,140,577
Change in cash and cash equivalents due to exchange rate movements			-		-
			<hr/>		<hr/>
<b>Cash and cash equivalents at the end of the reporting period</b>	13		<b>2,600,319</b>		<b>1,166,832</b>
			<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 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, taking even taking into account significant reduction in revenue that could be caused by the ongoing impact of the coronavirus, 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 £2.48m including a £1.3m investment in a deposit account of greater than 95 days 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 and despite the pressures caused by the pandemic the EFL remains at 72 member clubs, with in excess of 65 of these 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.

#### *Current asset investments*

The current investments are funds held in deposit accounts with a maturity date in excess of 90 days and less than 1 year.

## **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 accrual's 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 2021 £	Erasmus + 2021 £	Total Funds 2021 £	Total Funds 2020 £
<b>Unrestricted Funds</b>				
Education and Skills Funding Agency	6,234,481	-	6,234,481	5,569,763
The Football League Limited	204,822		204,822	177,877
The Professional Footballers' Association Charity	1,642,000		1,642,000	1,642,000
Apprenticeship Employers Co-Investment	96,836		96,836	121,623
Erasmus+	-	-	-	836,561
	<u>8,178,139</u>	<u>-</u>	<u>8,178,139</u>	<u>8,347,824</u>

**3 Analysis of expenditure on charitable activities**

	Direct Costs 2021 £	Support Costs 2021 £	Total Costs 2021 £	Total Costs 2020 £
Direct costs of the provision of education & training	5,837,059	2,104,689	7,941,748	7,114,174
Erasmus +	-	-	-	836,561
	<u>5,837,059</u>	<u>2,104,689</u>	<u>7,941,748</u>	<u>7,950,735</u>
<i>Analysis of expenditure on charitable activities in 2019/20</i>	<i>5,909,597</i>	<i>2,041,138</i>	<i>7,950,735</i>	

Support costs are further analysed in note 4.

**Notes** *(continued)*

**4 Analysis of support costs**

	Provision of education & training 2021	Erasmus + 2021	Total Support Costs 2021	Total Support Costs 2020
	£	£	£	£
Wages and salaries	1,588,818	-	1,588,818	1,460,276
Motor vehicle expenses	40,476	-	40,476	57,224
Travel and subsistence	11,355	-	11,355	54,700
Rent and rates	114,403	-	114,403	111,709
Insurance	6,552	-	6,552	5,376
Telephone	39,678	-	39,678	39,462
Repairs and renewals	14,227	-	14,227	1,791
Printing, stationery and postage	8,916	-	8,916	20,856
Publications	69,686	-	69,686	71,070
Audit fees	15,480	-	15,480	19,383
Legal and professional fees	9,009	-	9,009	14,612
General expenses	83,202	-	83,202	79,911
Bank charges	1,573	-	1,573	2,157
Depreciation	101,314	-	101,314	102,611
	<u>2,104,689</u>	<u>-</u>	<u>2,104,689</u>	<u>2,041,138</u>

## 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:

	2021 Number of employees	2020 Number of employees
Regional out based staff	14	12
Administrative staff	11	10
Indirect staff	5	5
	<u>30</u>	<u>27</u>

The aggregate payroll costs of these persons were as follows:

	2021 £	2020 £
Wages and salaries	1,258,312	1,146,963
Social security costs	141,987	129,879
Other pension costs	188,518	183,434
	<u>1,588,817</u>	<u>1,460,276</u>

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

	2021 Number of employees	2020 Number of employees
£60,000 - £69,999	0	1
£70,000 - £79,999	2	1
£80,000 - £89,999	0	0
£90,000 - £99,999	1	1
£100,000 - £109,999	0	0
£110,000 - £120,000	1	1

The total remuneration paid, includes value of all benefits together with the employer's national insurance contributions to the four key management personnel during the year was £360,285.75 compared to £348,310 during 2019/20. Total contributions of £50,011 were paid into their personal money purchase pension schemes, compared to £47,528 during 2019/20,

### 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.

	2021 £	2020 £
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	21,470
Due after 5 years	257,640	-

**Notes (continued)**

**7 Tangible fixed assets**

	Fixtures & fittings £	IT equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At beginning of period	16,791	-	429,050	445,841
Additions	-	-	25,500	25,500
Disposals	-	-	(70,250)	(70,250)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	16,791	-	384,300	401,091
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At beginning of period	6,097	-	235,381	241,478
Charge for period	1,679	-	99,635	101,314
Disposals	-	-	(66,278)	(66,278)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	7,776	-	268,738	276,514
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 30 June 2021	9,015	-	115,562	124,577
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2020	10,694	-	193,669	204,363
	<hr/>	<hr/>	<hr/>	<hr/>

All fixed assets are held for charitable purposes.

**8 Debtors**

	2021 £	2020 £
Trade debtors	718,393	1,069,973
Prepayments and accrued income	1,111,337	1,333,599
	<hr/>	<hr/>
	1,829,730	2,403,572
	<hr/>	<hr/>

**9 Creditors: amounts falling due within one year**

	2021 £	2020 £
Trade creditors	441,102	481,826
Taxation and social security	40,369	32,225
Accruals and deferred income	2,855,047	2,278,999
	<hr/>	<hr/>
	3,336,518	2,793,050
	<hr/>	<hr/>

**Notes** *(continued)*

**10 Provision in the year**

	2021 £	2020 £
Opening provision	-	36,432
Change in the year	-	(36,432)
	<u>          </u>	<u>          </u>
Closing provision	-	-
	<u>          </u>	<u>          </u>

This provision was in respect of the dilapidations on the lease of the head office building that came to an end during the 2016/17 year. The actual cost of the dilapidations were previously settled during the year ending 30 June 2020 resulting in a closing provision of nil.

**11 Movement of deferred income**

	2021 £	2020 £
Deferred income brought forward	622,047	355,814
Change in the year	362,482	266,233
	<u>          </u>	<u>          </u>
Deferred income carried forward	984,529	622,047
	<u>          </u>	<u>          </u>

£955k of the deferred income relates to income received in advance for the Erasmus + project. The specific projects for which this income relates are carried out in the following year to which the income is received and due to the pandemic those activities did not take place during the year ending 30<sup>th</sup> June 2021. The remaining £29k relates to revenue received from clubs in respect of their full Apprenticeship Co-Investment for apprentices that are on a two year programme and this element relates to the 2021/22 year.

**12 Reconciliation of net expenditure to net cash flow from operating activities**

	2021 £	2020 £
Net cash for the reporting period (as per the statement of financial activities)	242,257	415,401
<b>Adjustments for:</b>		
Interest from investments	(5,866)	(18,312)
Depreciation charges	101,314	102,611
Profit on the sale of fixed assets	(17,728)	(27,718)
(Increase) / decrease in debtors	573,842	(820,709)
Increase / (decrease) in creditors	543,468	463,870
	<u>          </u>	<u>          </u>
Net cash provided by operating activities	1,437,287	115,143
	<u>          </u>	<u>          </u>

**Notes (continued)**

**13 Analysis of Cash and Cash equivalents**

	2021 £	2020 £
Cash in hand	2,600,319	1,166,832
Total Cash and Cash equivalents	<u>2,600,319</u>	<u>1,166,832</u>

**14 Current investments**

	2021 £	2020 £
Current investments brought forward	1,252,122	1,236,622
Change in the year	5,866	15,500
Current investments carried forward	<u>1,257,988</u>	<u>1,252,122</u>

The current investments relate to funds held within a 95 day deposit account and the change in the year represents the interest received on the investment.

**15 Outline summary of fund movements**

	Funds Balances brought forward £	Income £	Expenditure £	Transfers £	Gains and losses £	Fund Balances Carried forward £
Unrestricted Funds	2,233,839	8,184,005	(7,941,748)	-	-	2,476,096
Restricted Funds	-	-	-	-	-	-
	<u>2,233,839</u>	<u>8,184,005</u>	<u>(7,941,748)</u>	<u>-</u>	<u>-</u>	<u>2,476,096</u>
<i>Outline summary of fund movements in 2019/20</i>	1,818,438	8,366,136	(7,950,735)	-	-	2,233,839

The unrestricted funds relate to the government funding of the Apprenticeship and the Study Programmes together with the income from The Professional Footballers' Association Charity and The Football League Limited.

There was no change to the restricted funds during the year ending 30<sup>th</sup> June 2021 due to no activity taking place because of the pandemic. These 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. This grant is applied for on an annual basis and expenditure under this grant is restricted to this programme.

## Notes (continued)

### 16 Analysis of net assets between funds

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
Tangible Fixed Assets	124,577	-	124,577
Current Assets	5,688,037	-	5,688,037
Current Liabilities	(3,336,518)	-	(3,336,518)
	<u>2,476,096</u>	<u>-</u>	<u>2,476,096</u>

#### Analysis of net assets between funds in 2019/20

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
Tangible Fixed Assets	204,363	-	204,363
Current Assets	4,228,104	594,422	4,822,526
Current Liabilities	(2,198,628)	(594,422)	(2,793,050)
	<u>2,233,839</u>	<u>-</u>	<u>2,223,839</u>

### 17 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 2021 total pension contributions were £188,518 compared to £183,434 during the year ended 30 June 2020.

## 18 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. The expenditure during the year with The Football League Limited represents the rental of the LFE Head offices together with the associated office costs. The expenditure with The Football League (Community) Limited and The Professional Footballers' Association was in respect of the recharging of staff costs.

Related party transactions during the year were as follows:

	Income during 2021	Accrued Income / Debtor 2021	Expenditure during 2021	Creditor 30 June 2021
	£	£	£	£
The Football League Limited	-	204,822	114,403	-
The Football League (Community) Limited	1,309	-	-	-
The Professional Footballers' Association Charity	1,642,000	-	-	-
The Professional Footballers' Association	-	-	76,463	-
	<u>1,643,309</u>	<u>204,822</u>	<u>190,866</u>	<u>-</u>

Related party transactions during the previous year were as follows:

	Income during 2020	Accrued Income / Debtor 2020	Expenditure during 2020	Creditor 30 June 2020
	£	£	£	£
The Football League Limited	184,027	177,877	134,293	91
The Football League (Community) Limited	-	-	3,675	-
The Professional Footballers' Association Charity	1,642,000	273,677	63,155	5,116
	<u>1,826,027</u>	<u>451,554</u>	<u>201,123</u>	<u>5,207</u>