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CONGRESS
OCTOBER 18TH 2023
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BUDGET REPORT
2023 - 2024





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2023 - 2024**





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AFC FINANCE COMMITTEE CHAIRPERSON



“

In every way, the budgets for the next two years reinforce two key principles – it manifests the remarkable growth of Asian football in recent years, and it strengthens the foundations for the AFC and its members to usher in a new era of progress in the years to come.

”

Dear Friends,

On behalf of the Asian Football Confederation (AFC) Finance Committee, I am delighted to recommend the AFC budgets for 2023 and 2024 to the AFC Extraordinary Congress 2023.

In every way, the budgets for the next two years reinforce two key principles – it manifests the remarkable growth of Asian football in recent years, and it strengthens the foundations for the AFC and its members to usher in a new era of progress in the years to come.

With the AFC's Vision and Mission serving as our guiding light, these budgets showcase not only unprecedented levels of support and assistance for our Member Associations (MAs) and Regional Associations (RAs), but it also emphasises our commitment to stage world-class competitions, which is the lifeblood of development for all MAs and RAs.

Underscoring this steadfast sense of belief in a rapidly changing commercial landscape, a total of USD218.6m and USD294.7m have been budgeted for 2023 and 2024 respectively. From this, a total of USD96.2m has been allocated for the staging of 10 competitions in 2023, while a further USD157m will be invested to deliver 12 competitions in 2024.

This includes a budget of USD44.9m for Asia's crown jewel, the AFC Asian Cup Qatar 2023™, which will be the best edition to date, as well as a total investment of USD82.1m directed towards the new three-tier club competitions scheduled to begin from the 2024/25 season, following the strategic reforms introduced by the AFC Executive Committee.

Ever committed to inclusivity and championing the advancement of women's football, a budget of USD5.8m has been planned for the groundbreaking

AFC Women's Champions League in 2024, which will serve as a game-changer for the women's game across the Continent.

At the same time, the AFC remains steadfast and driven to maximise the capabilities and capacities of our MAs and RAs and I am pleased to note that a total of USD41.3m and USD40.7m have been directed towards ensuring our members continue to thrive in 2023 and 2024 respectively.

As we have done in the past decade, the AFC will continue to strengthen the areas of Refereeing and Technical Development as well as in education to build even more purposeful, tailor-made and breakthrough programmes to further develop and improve the standards of Asian football for the benefit of all our members.

The coming two years will set the stage for the AFC and its members to herald an unparalleled period of transformational growth. These are indeed exciting times for Asian football, and I have no doubts that the budgets for 2023 and 2024 will pave the way for the AFC to solidify its place as a model Confederation in the world of football.



Datuk Haji Hamidin Bin Haji Mohd Amin
AFC Finance Committee Chairperson
2023-2027

OVERVIEW OF BUDGET 2023 - 2024

The Asian Football Confederation (AFC)'s budgets for 2023 and 2024 place concerted emphasis on achieving key milestones through strategic investments to unlock the full potential of Asian football through close collaboration with its Member Associations (MAs) and Regional Associations (RAs).

Aligned with its Vision, the AFC's investment for 2023 and 2024 underscore the AFC's resolute dedication to ensure the success of many forward-looking initiatives, which are geared towards sustainable and all-round development of its MAs and RAs, while concurrently elevating the standards of excellence in Continental competitions.

These investments set the stage for delivering a successful AFC Asian Cup Qatar 2023™, scheduled to take place from January 12 to February 10, 2024, in Doha. Moreover, they also provide the financial framework for the keenly awaited transformation

of the AFC's premier club competitions and the introduction of the AFC Women's Champions League, both from the 2024/25 season, heralding a new and inclusive era in Asian club football.

The enduring focus is on new investments to drive the development of the game, while continuing to navigate the considerable headwinds generated by the pandemic by embracing a proactive approach to risk management. Concurrently, the AFC remains laser-sharp in the resource allocation with significant investments underpinning the AFC's tireless efforts to make a positive difference amongst the MAs and RAs.

The AFC's overarching commitment to good governance principles is reaffirmed through the budget process, which is developed and structured to uphold transparency, accountability and responsible financial management while ensuring the long-term financial sustainability of the AFC.

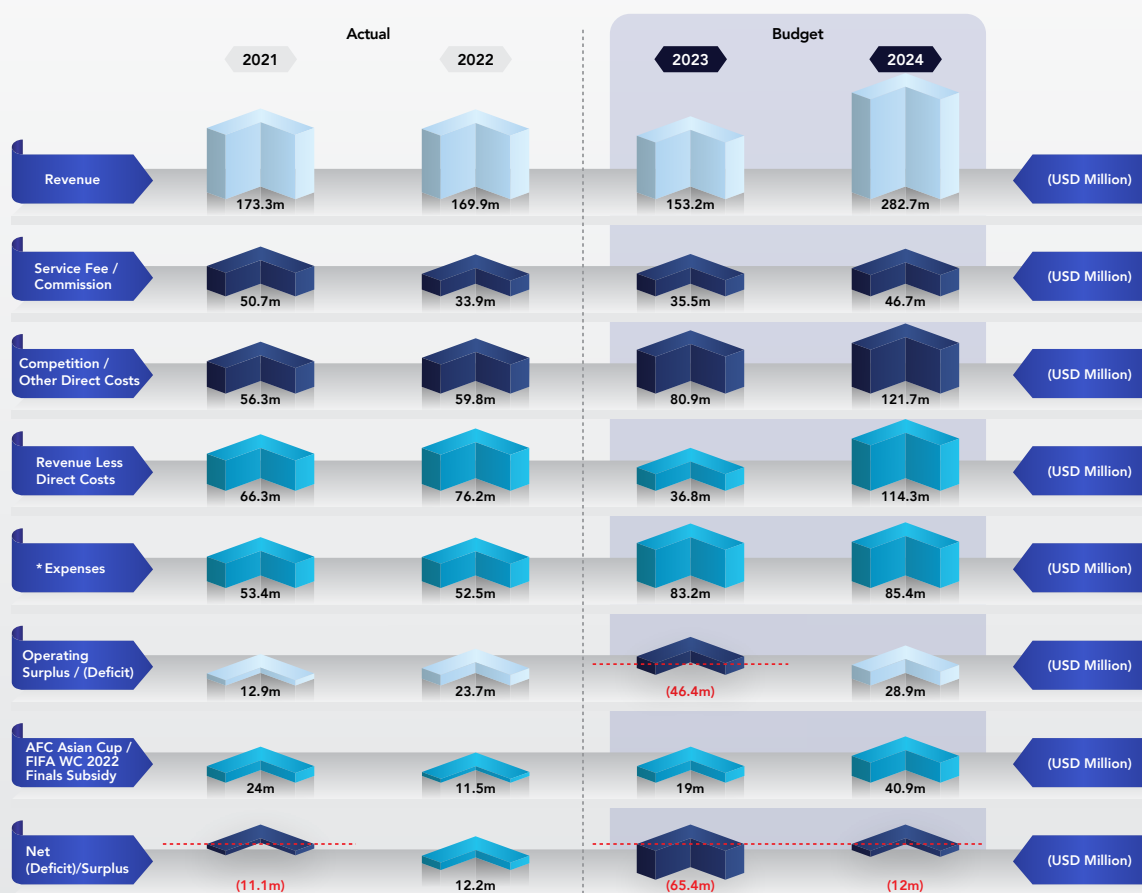
SUMMARY OF ACTUAL (2021 - 2022) AND BUDGET (2023 - 2024)

Actual			Budget	
2021 USD	2022 USD		2023 USD	2024 USD
173,317,269	169,912,670	TOTAL REVENUE	153,240,419	282,739,966
50,669,106	33,860,231	Commission/Service Fee	35,462,790	46,673,229
1,629,213	583,645	Other Direct Costs	3,727,536	5,643,587
54,683,747	59,271,475	Competitions	77,210,000	116,046,000
106,982,066	93,715,351	TOTAL DIRECT COSTS	116,400,326	168,362,816
66,335,203	76,197,319	REVENUE LESS DIRECT COSTS	36,840,093	114,377,150
2,043,176	2,740,111	Member Associations & Regional Associations	3,270,148	2,410,000
1,565,624	1,796,201	Education - Technical, Referees & Others	11,755,103	12,059,138
16,658,041	(1,500)	AFAP & President's Initiatives	-	-
-	18,044,595	AFC Enhance MA Programme	25,000,000	25,000,000
-	-	AFC Enhance RA Programme	1,250,000	1,250,000
18,939,513	15,573,502	Administration & Special Projects	24,891,183	25,898,162
14,239,753	14,400,597	Salaries & Benefits	17,089,506	18,844,540
53,446,107	52,553,506	OPERATING EXPENDITURE	83,255,940	85,461,840
12,889,096	23,643,813	SURPLUS/(DEFICIT)	(46,415,847)	28,915,310
-	-	AFC Asian Cup Qatar 2023	4,000,000	40,953,500
24,000,000	11,455,881	FIFA World Cup 2022 Finals Subsidy	15,000,000	-
184,428,173	157,724,738	TOTAL EXPENDITURE	218,656,266	294,778,156
(11,110,904)	12,187,932	NET SURPLUS/(DEFICIT) FOR THE YEAR	(65,415,847)	(12,038,190)

KEY BUDGET HIGHLIGHTS

- ▶ The projected combined revenue for 2023 and 2024 stands at USD153.2m and USD282.7m respectively, resulting in a cumulative total of USD435.9m.
- ▶ Competition investment for 2023 and 2024 are at USD96.2m and USD157m respectively, which include USD3.5m subsidy allocated in 2023 for the FIFA Women's World Cup Australia & New Zealand 2023 participating teams.
 - ▶ USD15m allocated for the FIFA World Cup Asian Qualifiers Final Round market pool distribution in 2023.
 - ▶ USD44.9m is set aside for the AFC Asian Cup Qatar 2023™ with USD4m in 2023 and the balance USD40.9m for the finals in 2024.
- ▶ Total investment expenditure for 2023 and 2024 is USD218.6m and USD294.7m respectively, contributing a projected deficit of (USD65.4m) and (USD12m) for 2023 and 2024 respectively.
- ▶ The cumulative deficit is funded by expected positive cashflows with a projected balance of USD90m by the end of 2024.

Summary of Actual (2021-2022) & Budget (2023-2024) (USD Million)



*MA Enhance, Education, Admin Exp, Salaries & Benefits

BUDGET 2023 - 2024

*REVENUE

The *net commercial revenue, excluding commission and service fees, projected for the fiscal years 2023-2024 stands at USD276.7m or 24% higher compared to USD223.1m in 2021-2022.

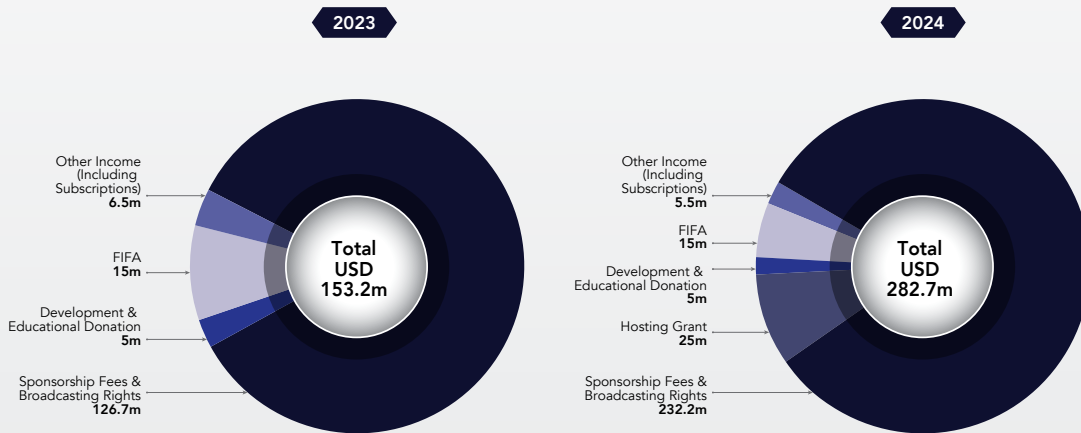
Commercial revenue is in accordance with IFRS 15 recognition policy. With the AFC Asian Cup Qatar 2023™ scheduled for 2024, a significant amount of revenue is recognised in 2024. As the AFC’s portfolio of competitions continue to grow, spearheaded by the AFC Asian Cup Qatar 2023™ and revamped AFC club competitions, the AFC’s commercial potential are well positioned to scale new heights.

This trend is manifested by the increase in contracted revenue from commercial and broadcast partners, climbing from USD126.7m in 2023 to USD232.2m in 2024. The total projected revenue is expected to increase from USD153.2m in 2023 to USD282.7m in 2024.

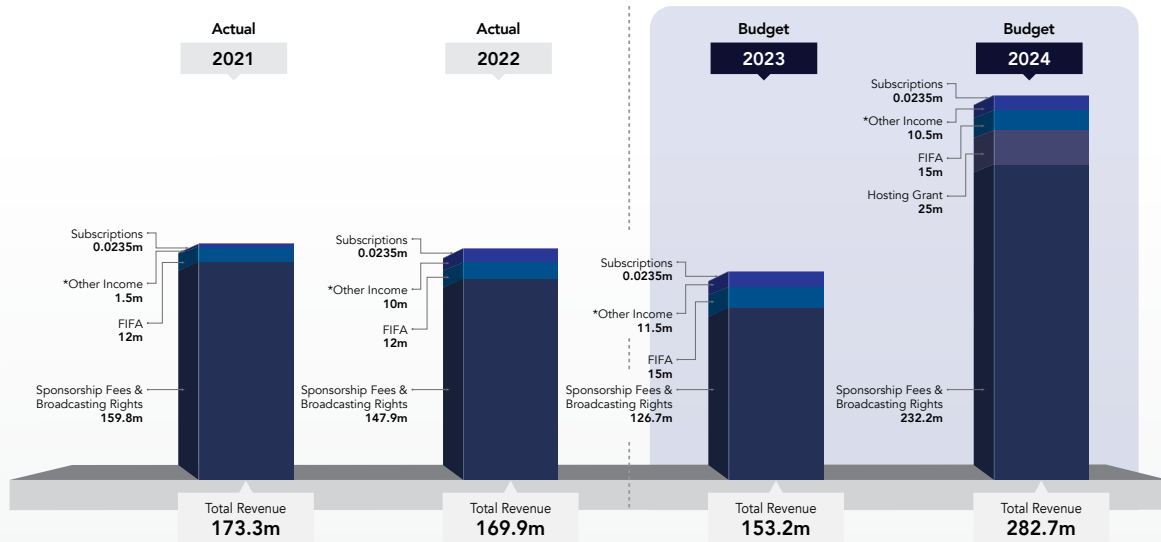
The budgeted revenue of 2023 and 2024 includes the FIFA Forward funding of USD15m per year, an increase of USD3m per year from the USD12m for 2021–2022. Other sources of income budgeted for 2023–2024 include development and educational donation, competition hosting grant, fines and interest on fixed deposits.

* Revenue is based on contracts signed and projected

Revenue Composition Budget 2023-2024
(USD Million)

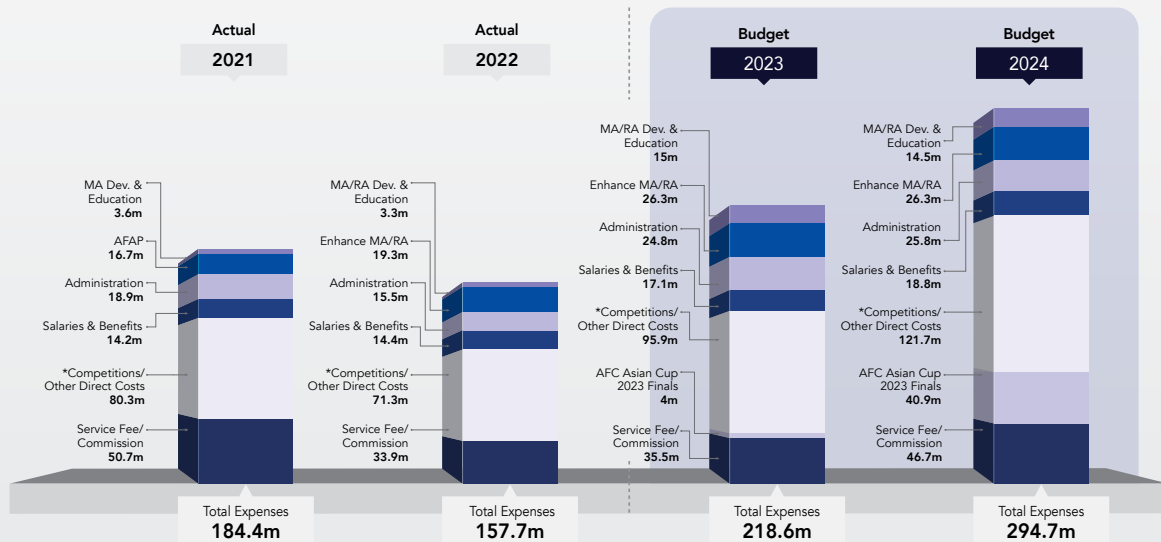


Revenue Summary of Actual (2021-2022) & Budget (2023-2024) (USD Million)



*Includes Grants, Fines and Interest on FD.

Expense Summary of Actual (2021-2022) & Budget (2023-2024) (USD Million)



*Includes FIFA WC 2022 Subsidy USD24m (2021) and USD12.5m (2022) and USD15m (2023)

COMPETITIONS – INVESTMENT

As the sporting world continues its post-pandemic recovery, the AFC has ensured a safe and steady return to a full suite of competitions in line with its Mission of providing Asian teams and players with the best platforms to develop and shine.

A total of 10 competitions are planned for 2023 – the same number as 2022 – with a budget of USD96.2m, while USD157m has been allocated in 2024 due to the increase to 12 competitions, of which USD40.9m has been allocated to the AFC Asian Cup Qatar 2023™, which will be the best ever edition to date.

Furthermore, the 2024/25 club football season will see the current competition structure revamped and expanded to a three-tiered model comprising the AFC Champions League Elite (ACLE), the AFC Champions League 2 (ACL2) and the final tier, the AFC Challenge League (ACGL), resulting in substantial increments in financial allocations for prize money, performance bonuses, and travel subsidies for the participating clubs with the objective of further elevating the quality and stature of the Asian club game.



With the switch from the current Spring-Autumn season to an Autumn-Spring season for the AFC's club competitions commencing from the 2023/2024 campaign, the budget for the AFC Champions League™ (2023) and the ACLE (2024) is USD34.3m and USD52.2m respectively.

The budget for the AFC Cup™ in 2023 and 2024 is USD7.6m and USD5.4m respectively. A budget of USD16.9m and USD7.6m has been respectively set aside for the ACL2 and ACGL in 2024, aligning with the overarching club competition restructure.

The AFC Asian Cup Qatar 2023™, which is set to be the grandest spectacle ever of Asia's flagship competition, has a budget allocation of USD44.9m – USD4m has been set aside for 2023 while the remaining USD40.9m is earmarked for 2024.

The Qualifiers for the AFC U23 Asian Cup™ Qatar 2024 will have a budget of USD4m for 2023, with another USD8m to be budgeted for the sixth edition of the Finals in 2024.

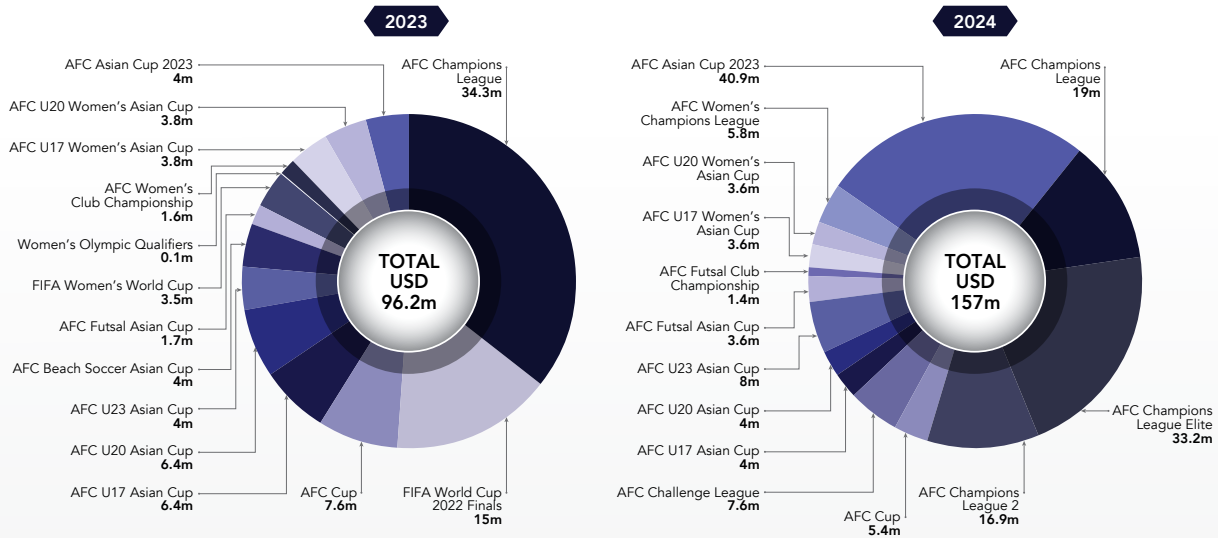
The women's game in Asia is on an upward trajectory and the AFC remains unwavering in its efforts to harness its full potential. This commitment is underlined by the subsidy of USD3.5m allocated for the teams in preparation of the FIFA Women's World Cup Australia & New Zealand 2023, where a record six teams proudly represented Asia.

The AFC's dedication to advancing the women's game will take another significant step in 2024 with the planned introduction of the AFC Women's Champions League competition, backed by a budget of USD5.8m.

The budget for the Qualifiers of the AFC Futsal Asian Cup™ 2024 has been set at USD1.7m for 2023, with another USD3.6m for the 17th iteration of the Finals in 2024.

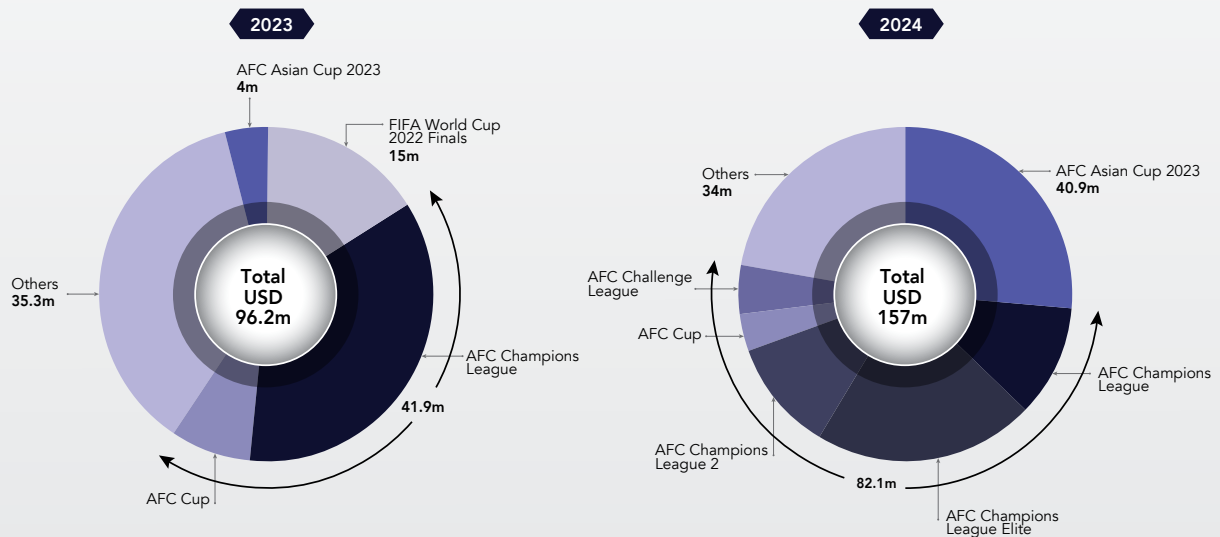
Following the pandemic-related disruptions that led to the postponement of the AFC U17 Women's Asian Cup™ and AFC U20 Women's Asian Cup™, both competitions reclaimed their spots on the AFC competitions calendar. The allocated budgets for these tournaments are USD7.6m and USD7.2m respectively, covering both the Qualifiers and Finals of each competition.

Competitions Expenses Budget 2023-2024 (USD Million)



Notes 2023 vs 2024

Competitions Expenses Budget 2023-2024 (USD Million)



MEMBER ASSOCIATION AND REGIONAL ASSOCIATION DEVELOPMENT AND EDUCATION

The AFC’s commitment towards MA and RA development has been further supported by the lifting of pandemic-related travel restrictions in recent times.

This led to a welcome return to in-person activities and saw a majority of the planned events for Referees, including the AFC Referee Academy as well as Technical and Education programmes being conducted face-to-face. Notably, the valuable lessons and experience learned during the pandemic – when all programmes were delivered online – have been successfully applied to select programmes that continued to be held virtually, yielding improved cost-effectiveness without compromising the content quality.

The AFC Referee Academy sees the AFC take on a pioneering role globally in talent development and underlines its desire to enhance the quality of Asian refereeing by extending educational support to its MAs. With a full slate of activities planned by the AFC Referee Academy, an amount of USD1.2m (2023) and USD1.4m (2024) has been budgeted for the delivery of onsite and online modules.

The MAs are further supported through the AFC Enhance MA Programme, with the initiative

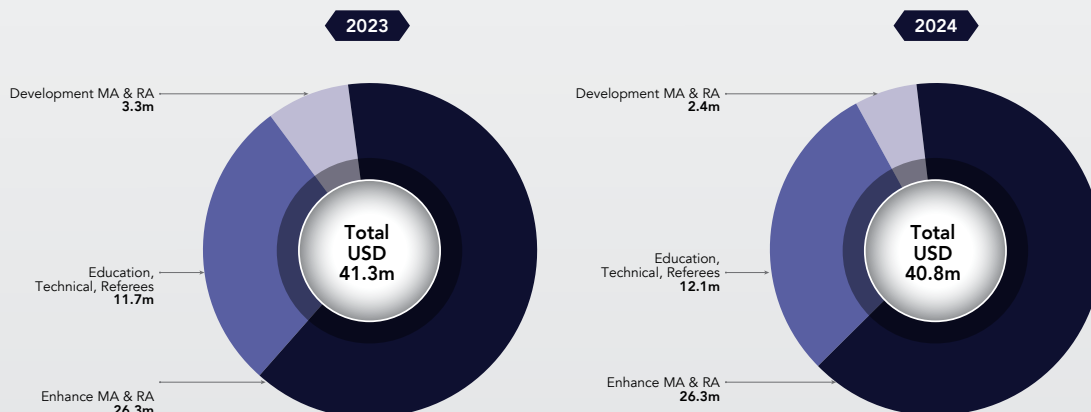
providing USD500,000 per eligible MA, with the option of rolling over unutilised budgets from 2021-2022 to 2024. Additionally, the Advantage (USD150,000) and Extra-time (USD50,000) programmes continue to provide further assistance to the MAs towards attaining their developmental and technical objectives. The combined budget for the AFC Enhance MA Programme in 2023 and 2024 is set at USD25m for each year.

Turning to AFC’s RAs, the AFC Enhance RA Programme, which aims to support the RAs in the crucial areas of administration and management, will continue apace in 2023 and 2024 with a budget of USD1.25m per year.

To further supplement the AFC’s aspirations, a total budget of USD5.7m has been allocated for MA and RA development including USD2.2m for the AFC Academic Centre of Excellence (ACE) for 2023 and 2024.

The ACE, a landmark virtual education initiative aimed at developing the skillsets and expertise of future leaders of Asian football, is due for an expansion and enhancement of the current roster of programmes along with the introduction of new courses.

Member Association and Regional Association Development and Education Budget 2023-2024 (USD Million)



ADMINISTRATION

As with previous aspects of the Budget, the resumption of physical activities, events and programmes has influenced the AFC’s administrative operations and undertakings.

The AFC Annual Awards, which celebrates the very best of Asian football, makes an eagerly awaited return in 2023 after postponements of the 2021 and 2022 editions. An allocation of USD3m has been earmarked for the 2023 gala, while the 2024 edition has USD3.6m budgeted towards its organisation.

The transition from virtual settings for the AFC Congress, AFC Executive Committee and Standing Committee meetings to physical ones has contributed to the increase in the budget for meeting expenses, with USD7.3m and USD6.7m allocated for 2023 and 2024 respectively – up from the combined total of USD6.5m for 2021 and 2022.

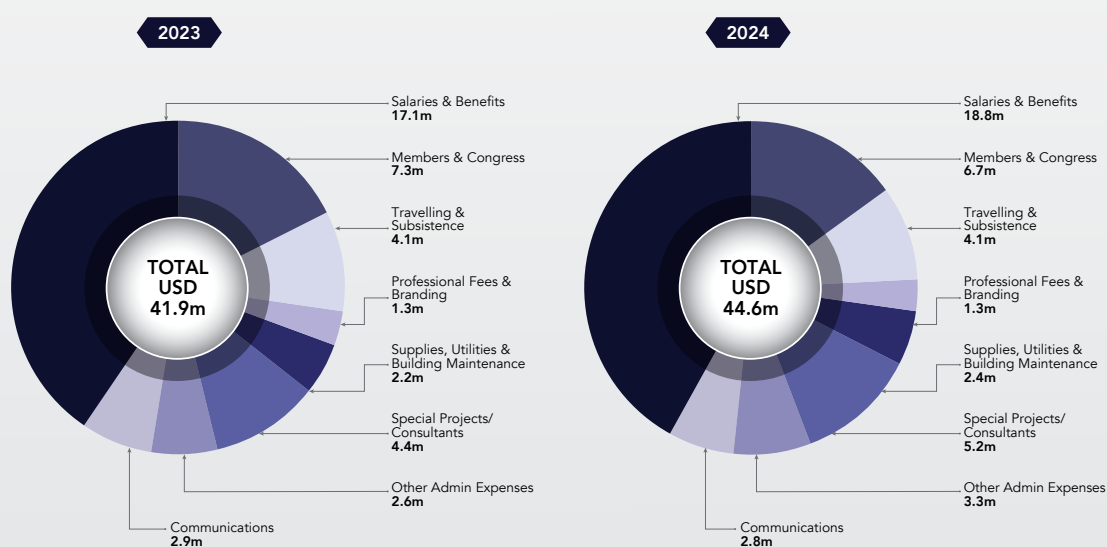
With the increasing number of AFC competitions, MA and RA development programmes, as well as other activities, the AFC will fortify its efforts to engage with and harness the passion of Asia’s football fans through increased investment in all of its digital platforms. This will see the budget for Communications rising to USD2.9m and USD2.8m

in 2023 and 2024, from USD1.7m and USD1.4m in 2021 and 2022 respectively, to further solidify and build on the growth in the AFC’s digital assets witnessed year on year.

Following a review of other activities and considering the increase in the number of events and programmes planned for 2023 and 2024, a sum of USD41.9m has been budgeted for 2023, while USD44.6m has been allocated for 2024.



Administration Budget 2023-2024 (USD Million)



SUMMARY

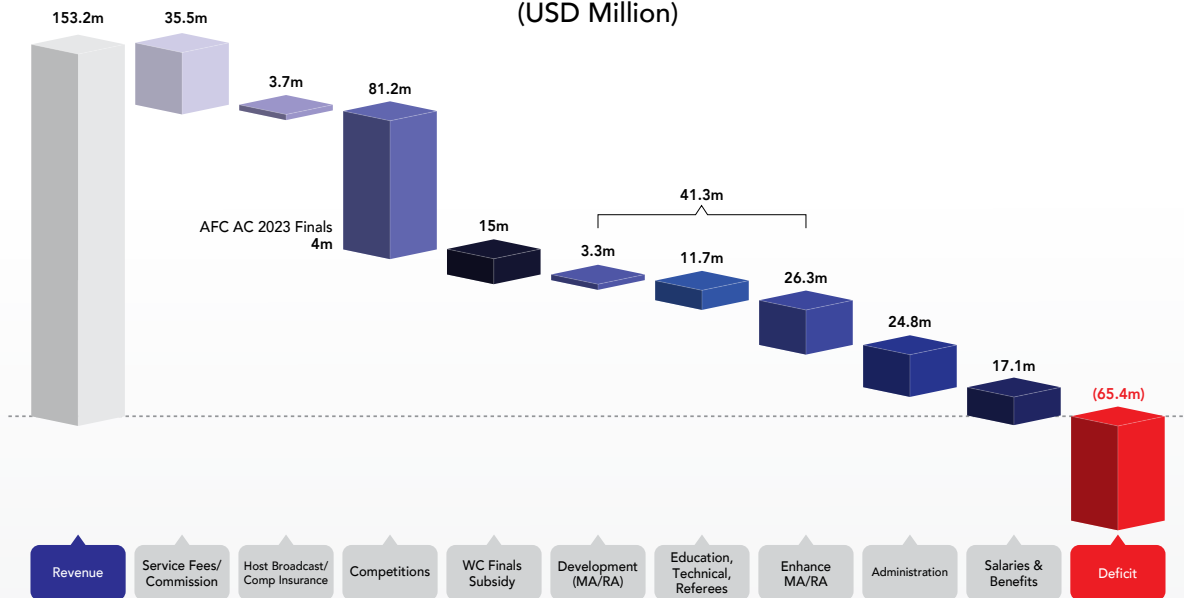
The increased investment in the 2023 and 2024 budgets signify the AFC's confidence in its capacity to deliver all its activities and competitions to the utmost standards, aligned with its key objective of ensuring that football remains the Continent's most popular sport.

The post-pandemic commercial landscape however is still under recovery with rapidly evolving dynamics that call for careful navigation.

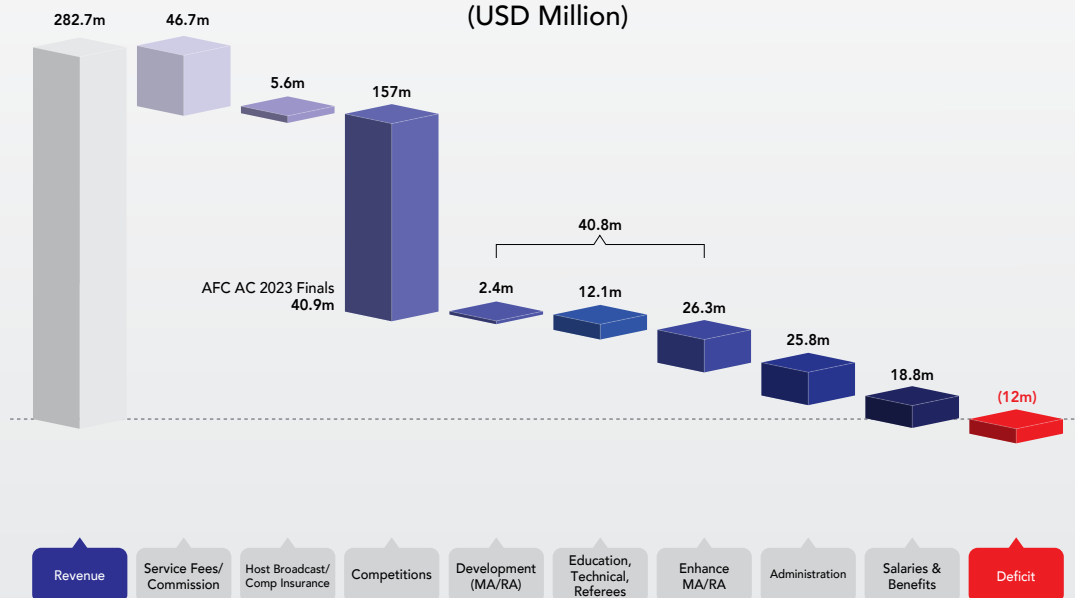
In this endeavor, the AFC remains resolutely committed to adapting and implementing innovative and forward-looking strategies to drive sustainable growth and foster resilience, positioning itself as a proactive architect of its future success.



Budget 2023 (USD Million)



Budget 2024 (USD Million)



SUMMARY OF ACTUAL (2021 - 2022) AND BUDGET (2023 - 2024)

INCOME & EXPENDITURE	Actual		Budget	
	2021 USD	2022 USD	2023 USD	2024 USD
Sponsorship Fees & Broadcasting Rights	159,829,811	148,205,113	126,740,419	232,239,966
FIFA	12,000,000	12,000,000	15,000,000	15,000,000
Subscriptions	23,500	23,500	23,500	23,500
Other Income	1,463,958	9,684,057	11,476,500	35,476,500
TOTAL REVENUE	173,317,269	169,912,670	153,240,419	282,739,966
Commission/Service Fee	50,669,106	33,860,231	35,462,790	46,673,229
Other Direct Costs	1,629,213	583,645	3,727,536	5,643,587
Competitions	54,683,747	59,271,475	77,210,000	116,046,000
TOTAL DIRECT COSTS	106,982,066	93,715,351	116,400,326	168,362,816
REVENUE LESS DIRECT COSTS	66,335,203	76,197,319	36,840,093	114,377,150
EXPENDITURE				
MA & Regional Associations Development	2,043,176	2,740,111	3,270,148	2,410,000
TOTAL MA and RA DEVELOPMENT	2,043,176	2,740,111	3,270,148	2,410,000
Technical	106,205	160,423	3,282,003	3,156,438
Referees	700,897	875,821	3,777,000	4,100,000
Others (Sports Med, Integrity, CSS, RSU, etc)	758,522	759,957	4,696,100	4,802,700
TOTAL EDUCATION	1,565,624	1,796,201	11,755,103	12,059,138
AFC Financial Assistance Programme	16,724,550	-	-	-
AFC President's Initiatives	(66,509)	(1,500)	-	-
AFC Enhance MA Programme	-	18,044,595	25,000,000	25,000,000
AFC Enhance RA Programme	-	-	1,250,000	1,250,000
TOTAL ENHANCE MA/RA PROGRAMMES/AFAP & PRESIDENT'S INITIATIVES	16,658,041	18,043,095	26,250,000	26,250,000
TOTAL MA DEV/MA&RA/EDUCATION/ ENHANCE MA/RA, AFAP & PRESIDENT'S INITIATIVES	20,266,841	22,579,407	41,275,251	40,719,138
Administration/Special Projects				
Members & Congress	3,033,769	3,478,261	7,266,830	6,681,040
Travelling & Subsistence	3,166,494	3,905,108	4,117,500	4,117,500
Professional Fees & Branding	719,237	675,657	1,320,200	1,320,200
Supplies, Utilities & Building Maintenance	1,687,741	1,831,484	2,211,640	2,421,189
Special Projects/Consultants	466,523	233,145	4,394,160	5,258,270
Communications	1,699,915	1,422,080	2,879,937	2,820,323
Other Admin Expenses	8,165,834	4,027,767	2,700,916	3,279,640
Total Administration/Special Projects	18,939,513	15,573,502	24,891,183	25,898,162
Salaries & Benefits	14,239,753	14,400,597	17,089,506	18,844,540
TOTAL ADMINISTRATION EXPENSES	33,179,266	29,974,099	41,980,689	44,742,702
TOTAL OPERATING EXPENDITURE	53,446,107	52,553,506	83,255,940	85,461,840
SURPLUS/(DEFICIT)	12,889,096	23,643,813	(46,415,847)	28,915,310
AFC Asian Cup Qatar 2023	-	-	4,000,000	40,953,500
FIFA World Cup 2022 Finals Subsidy	24,000,000	11,455,881	15,000,000	-
TOTAL EXPENDITURE	184,428,173	157,724,738	218,656,266	294,778,156
NET SURPLUS/(DEFICIT) FOR THE YEAR	(11,110,904)	12,187,932	(65,415,847)	(12,038,190)






Asian Football Confederation


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