

**Middlesbrough Football Club Foundation
(Limited by Guarantee)**

Annual Report and Financial Statements
for the Year Ended 31 August 2022

"Charity Commissioners Copy"
Registered Charity Number: 1059418

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Statement of Accounts
for the Year Ended 31 August 2022

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Middlesbrough Football Club Foundation
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Trustees Report
for the Year Ended 31 August 2022

The Trustees submit their report and the audited financial statements of Middlesbrough Football Club Foundation ('the Foundation') for the year ended 31 August 2022. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 published in October 2019.

The Directors of the Foundation are its Trustees for the purposes of charity law. The Trustees who have served during the year and since the year end are shown on page 7.

OBJECTIVES AND ACTIVITIES

The Board of Directors decide the strategic direction of the Foundation and the day to day decisions are made by the senior management of the Foundation.

The Foundation's main aims are:

- To encourage and advance the education of children and adults within the community with the purpose of promoting a healthy lifestyle and improving their condition of life.
- To promote community involvement in healthy recreation by providing facilities for the playing of football and other sports capable of improving physical health to such persons who have need for such improvement and to encourage and advance the education of such persons in order to allow them to develop to the best of their abilities, both physically and otherwise.

ACHIEVEMENT AND PERFORMANCE

The year ended 31 August 2022 was a year of transition for the Foundation whilst continuing to be successful as delivery continued to adapt following the pandemic to return to a new normal with a combination of continued covid-19 response support and the return of pre-covid regular Foundation activity. The year also saw the transition in leadership, with the departure of Helena Bowman as Head of Foundation after six successful years in the role, and the Foundation joined by Lynsey Edwards following her time at the Premier League Charitable Fund (PLCF) in their senior management team. The Board would like to once again thank the staff for their hard work and dedication during this period of transition as well as Helena for her service to the Foundation.

Throughout the year programmes returned to not only their pre-pandemic delivery but grew and flourished. This was alongside continued work to support the community in response to covid-19, such as supporting the NHS with mobile vaccination clinics and providing food parcels to vulnerable and elderly residents. The Foundation team were able to return all delivery to in-person in both schools and community with the need for this in-person support evident by the growth in demand from schools for provision and more beneficiaries than ever joining our community programmes.

The Foundation's fundraising went from strength to strength with one of our most successful years as a result of the return of our flagship events; Foundation Dinner, Golf Day and Ladies Day. These were complimented by the expansion of our Friends of the Foundation offer to businesses and the launch of a number of community fundraising events, such as Roary's Big Week and Middlesbrough College Football Tournament.

Delivery of programmes continued under four themes:

Education and Employability

The Foundation's education and employability arm delivers educational programmes which assist young people and adults with obtaining new skills, knowledge, qualifications and employment.

1. **Premier League Primary Stars** - a flagship project, funded by the PLCF, supporting the Premier League's agenda of delivering sport and education projects to every primary school in the UK. During 2021/22 some 77 partner schools engaged with Premier League Primary Stars providing regular physical activity to over 3,000 young people.

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ACHIEVEMENT AND PERFORMANCE continued

2. **Premier League Inspires** – delivering education activities to disadvantaged young people, with an aim of building self-esteem and confidence. PL Inspires was delivered in 30 secondary schools during 2021/22, supporting over 479 young people in over 20 hours of educational activities, with 90% of young people having a feeling of increased trust and mental wellbeing from being part of the programme.
3. **Switch It and Stepping Up** – Switch It funded by Middlesbrough Council and Stepping Up funded by the Foundation, see the Foundation's Youth Workers support young people transitioning across various stages in their lives, including primary to secondary school, secondary school to employment, young people moving between schools, or those new to the country. During 2021/22, Switch It supported 193 young people across 8 secondary schools and Stepping Up was delivered in six primary schools in East Cleveland.
4. **Careers and Enterprise** –funded by Tees Valley Combined Authority, careers and enterprise education was delivered over a 10-week period to young people from primary schools across the Tees Valley. Within the year the programme has engaged over 8,400 young people. This programme came to an end in July 2022.
5. **Kickstart** - working within the network of the EFL Trust, the Kickstart Scheme allowed the Foundation to employ young people for a six-month period as part of the Government's Plan for Jobs and was funded by the Department for Work and Pensions (DWP). Each young person was provided a placement, received alongside employability support and personal development plan to maximise the opportunity to sustain employment or to progress into another opportunity. The Foundation's success on this project was rewarded with recognition as the regional winners in the Small Medium Employers category at the Building Futures and Kickstart National Awards hosted by the DWP.
6. **Employability** – the employability team delivered six programmes over the course of 2021/22.
 - In partnership with The Prince's Trust, Get Started with Football and SCORE were delivered, providing participants with an insight into sport/football and health and social care sectors respectively.
 - With the EFL Trust, the Traineeships programme consisted of a mixture of work placements, work readiness sessions, and functional skills for 12-weeks.
 - Darlington Borough Council funded the Foundation to deliver social impact whilst increasing the life chances of young people; delivering Christmas hampers for 'Family Help', who offer support and refuge to women and children fleeing from domestic abuse, and family fun day in Skerne Park, Darlington, an area which was recorded as having a high level of deprivation.
 - Funded by Optimum Skills, an 11-week traineeship was delivered, in which young people aged 16-18-years old gained valuable work experience on projects as a football coach, and took part in employability and team building sessions to improve their job prospects.
 - Delivering a five-week retail and hospitality programme funded by British Land, Bright Lights engaged with 11 young people who completed a programme consisting of a two-week work placement opportunity and three-weeks of training taking place at Teesside Park, the Riverside Stadium and the Herlingshaw Centre.

The programmes provided the opportunity for people suffering from differing barriers such as mental health challenges, psychological disorders and long-term unemployment, to gain social and employability skills required to start a career as well as providing them opportunities to directly engage with a range of local employers.

7. **Coach Core Apprenticeship Scheme** – the Foundation employed four apprentices on the Coach Core scheme for a 15-month period. All four apprentices had previously been participants within other Foundation programmes.

Sports and Physical Activity

The Foundation aims to provide sport and physical activity opportunities for young people and adults through delivery in schools and community venues. During the year, the Foundation provided the following activities:

1. **Roary's Academy** – a physical and mental literacy development programme for 2-6-year olds centred around football. The sessions aim to enhance a child's self-confidence, teamwork and motor skills.

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ACHIEVEMENT AND PERFORMANCE continued

2. **Holiday Camps and Tournaments** – delivered during every school holiday at the Herlingshaw Centre, the camps offer children aged 5-13-years old additional football and multi-sports sessions, whilst offering support to parents during the school holidays. Over 300 children enjoyed football, dance and multi-sports during 2021/22.
3. **Walking Football** – supports people over the age of 40-years old to be physically active through football alongside a strong social connection.
4. **Tournaments** – throughout the year the Foundation delivers a number of tournaments for U7-U12 age groups supporting local grassroots football clubs and Middlesbrough FC Academy. Over the year over 500 teams took part in eight tournaments.

Health and Wellbeing

The theme of Health and Wellbeing seeks to improve the health and wellbeing of our local communities through activities which promote healthier lifestyles. Those key activities include:

1. **Football Fans in Training**- a programme aimed at engaging men and women in regular physical activity, with the aim of losing and sustaining weight loss. Funded by Sport England and The English Football League Trust, the programme was delivered at the Riverside Stadium and East Cleveland providing a 12-week course three times per year, consisting of a 45-minute circuit class and educational workshops on healthy living. Over 250 individuals took part in the programme throughout the year.
2. **Active Through Football** – awarded by the Football Foundation in June 2022, the programme will work with the local communities of Newport and North Ormesby to provide football and physical activity opportunities, breaking down barriers to physical activity and embedding life long behaviour change. During the first three-months of delivery, the programme engaged 23 participants.
3. **Mental Health Support** – funded by Middlesbrough Football Club sponsor Kindred and East Cleveland funding, Think With Your Feet, Team Talk and Kitchen Therapy are weekly sessions for adults suffering from poor mental health and in need of support for their wellbeing. The sessions include football, peer mentoring and cooking supported by Mind and a local Chef; the programme has engaged 90 participants referred from Mind, recovery centres, local authorities, job centres and self-referrals.
4. **Move and Learn (Joy of Moving)** – a six-week programme engaging 9-11-year-olds in physical activity and health education through a six-week programme featuring PE lessons and healthy living workshops, culminating in a Joy of Moving Festival. Funded by the EFL Trust, over 1,800 young people engaged from 30 schools in physical activity and health education sessions through the programme in 2021/22.
5. **Football Welcomes** – engaging refugees and asylum seekers in football and educational activities, funded by Amnesty International. For over three-years the Football Welcomes programme has engaged over 150 individuals in activities this year in football and volunteering opportunities.
6. **Health Matters** – in partnership with Outwood Riverside Academy, the programme delivered over the full academic year supported 200 young people in Year 7 and 8 with PE and physical wellbeing support, as well as healthy lifestyle education and football provision.

Social Inclusion and Community Cohesion

The theme of Social Inclusion and Community Cohesion uses the power of Middlesbrough FC, through football, sport and youth work, to unite and empower communities, inspiring and enhancing skills of young people and adults, particularly those within socially deprived wards. During the year the Foundation delivered the following programmes under the Inclusion and Community Cohesion theme:

1. **Premier League Kicks** - delivered within the most deprived communities, PL Kicks provides diversionary and constructive activities such as football, boxing, personal development opportunities and educational workshops on evenings to reduce crime and anti-social behaviour and improve life skills. Funded by the PLCF and the Office Police and Crime Commissioner for Cleveland (Cleveland PCC), PL Kicks continued to engage over 2,000 young people in 2021/22.

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ACHIEVEMENT AND PERFORMANCE continued

2. **Premier League Kicks Targeted** – working with young people referred from Middlesbrough Council's Vulnerable, Exploited, Missing, Trafficked Practitioners Group (VEMT), the programme supports young people to improve their wellbeing, build trusted relationships and reduce their involvement or likelihood to be involved in youth violence through one-to-one mentoring and group work. The programme supported 20 medium-high risk young people with 5 five achieving a qualification and 5 five transitioning to education or employment.
3. **Chances** – funded by four local authorities, Middlesbrough, Redcar and Cleveland, Stockton and Hartlepool, and Cleveland PCC - Foundation Youth Workers use the power of the football club and positive activity to support young people to improve their lives through outcomes such as improved school attendance, moving into education, employment or training and/or reducing offending behaviour. In 2021/22 the programme supported 144 young people with 56% improving their physical literacy.
4. **National Citizen Service (NCS)** - a flagship Government programme for young people aged 15-17 years-old. Funded by The NCS Trust and EFL Trust, NCS offered a week residential course followed by a week of social action during the school summer holiday to improve confidence, provide new opportunities and gain new skills and experiences. The programme was complemented by Changemakers, a social action opportunity where young people are positively involved in the community; this included home-made cake sales and tombolas for local charities and decorating the Transporter Bridge with messages of support for mental wellbeing. The residential programme delivered in the summer of 2022 with 84 young people was awarded programme of the week.
5. **Dementia Project** – launched at the Riverside Stadium and Skelton in Cleveland, the project provides monthly dances for people living with dementia and their carers. The project included training all Foundation staff as dementia friends along with support from Middlesbrough FC to make the stadium environment more dementia friendly.
6. **Disability Provision** – the Foundation's disability provision centred on Every Player Counts funded by Wembley National Stadium Trust and EFL Trust, a programme which engaged 70 young people and adults with disabilities in physical activity sessions, the Foundation delivered powerchair and pan disability football sessions as well as support for residential facilities. Short Breaks worked with Middlesbrough Council, the project is delivered in the Riverside Stadium's sensory room supporting young people with special needs in a social and fun environment whilst providing their parents/carers with respite time. The FA Talent Hub (Disability) supported by The FA and North Riding County FA, delivered disability football sessions for talented young people with cerebral palsy, hearing impairments and visual impairments with the aim to transition players into the football disability talent pathway.
7. **Thirteen Housing Project** – funded by the local housing association, Thirteen Housing, the project was delivered in wards specifically identified by the funders to provide family learning through football followed by a family learning social action project. The project engaged 40 families to improve their communication, confidence and collaboration skills whilst giving back to their local area.

Herlingshaw Centre

The Herlingshaw Centre is a sports facility in South Bank, owned by Redcar and Cleveland Borough Council but managed by the Foundation. The Centre's first-class facilities include an indoor 7-a-side 3rd Generation Artificial Grass Pitch, an outdoor full-size 3rd Generation Artificial Grass Pitch, three outdoor grass pitches, together with function rooms and classrooms. All of these facilities are available for hire by the general public but are also used by the Foundation for delivery of its programmes.

The Herlingshaw Centre is utilised by a variety of Foundation programmes including Chances, our range of Employability projects, Football Welcomes, PL Kicks, PL Kicks Targeted, PL Primary Stars, Switch It and Think With Your Feet.

The Centre is also used by external parties and organisations including Boro Rangers, Middlesbrough Ladies FC, Middlesbrough Football Club and the Girls Regional Talent Club, along with a wide range of other local grassroots football clubs.

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ACHIEVEMENT AND PERFORMANCE continued

This year, the Centre was able to reopen following periods of closure due to covid-19. Throughout the year with activity returning to pre-pandemic normal levels, the Centre was used by over 15,000 people. The football facilities were at capacity on evenings and weekends, with further interest for the wider facilities during weekdays. The Centre relaunched the Roary's Academy, Holiday Camps and Walking Football as well as the successful return of the MFC Foundation Birthday Parties; the parties include football coaching from Foundation staff on the indoor 3G, followed by use of the specially decorated function room for food, fun games and a visit from Roary, with a penalty shoot-out against him. All children receive a Foundation invite and the birthday child receives a Foundation medal and present. In 2021/22 we delivered nearly 100 parties.

"I've just recently had my little boys' 4th birthday party at MFC Foundation as he requested a football party! From the point of enquiry right through to end of the party, staff were so helpful in ensuring everything ran smoothly and the children had the best time possible! Despite the varied ages/genders and abilities, they all managed to partake in the activities/games. The team entertained the children right up until the food arrived and then after food there was more fun to be had with a penalty shootout and photo opportunity with Roary! The kids were elated and most of all the birthday Boy said he had THE BEST party ever!! Other parents also commented on how good the party and staff were and liked how it was something a bit different from the usual. Can't thank the MFC Foundation staff enough for making my little boys' football party such a memorable one! Here's too many more at MFC Foundation, would absolutely recommend parties here!!"

Other Fundraising activities and events

This year the Foundation was able to return to delivering the large-scale events such as Foundation Dinner, Golf Day and Ladies Day; all three events contributed significantly to a successful fundraising year for the Foundation contributing £46,000. Alongside this, the return of the match day lottery and stadium tours, boosted by two FA Cup games against Premier League teams, significantly contributed to our fundraising activities with £67,000. Our corporate 'Friends of the Foundation' continued to be a success with nearly £32,000 raised through the donations from 25 corporate 'Friends of the Foundation'.

During this year the covid-19 response of supporting the distribution of food parcels to elderly and isolated residents was reduced and transitioned back to other local community organisations who could continue this support longer term. The impact of this work within the community was clearly positive and to continue to be able to both support the community, whilst raising funding for the Foundation, the role of Community Fundraising Coordinator was adapted and embedded. The now two fundraising roles within the Business Development team are monitored through monthly meetings with a member of the senior management team and the Fundraising Committee, on which three Board members and the Head of Foundation participate.

The Foundation has no interest in approaching individuals directly for donations via 'door-knocking' or any other unreasonable, persistent approaches to solicit donations. The Foundation is committed to following all Charity Commission guidance for fundraising activities as referenced in the Charities Act 2011.

East Cleveland Project

Since early 2019, the Foundation has received significant donations each year to roll out activities in the area of 'East Cleveland', a highly deprived, isolated area in the Borough of Redcar and Cleveland. Initially launched in September 2019, the project was significantly impacted by covid-19 and having to respond to the local need during the pandemic. During this year, the project has transitioned from the required covid-19 response to provide a balance of bespoke programmes needed for the area, alongside the well-established Foundation programmes offered elsewhere in Teesside. Programmes such as Chances, FIT Boro, Premier League Kicks and Team Talk are regular offers within East Cleveland now, whilst the team have continued with the successful Kitchen Therapy programme as well as Stepping Up (East Cleveland). Both Boro Buses continue to be a huge success in East Cleveland and wider Teesside; supporting the delivery of vaccines in partnership with South Tees Public Health as well as health checks to schools and businesses across remote areas of East Cleveland. In 2021/22 the Health Bus facilitated over 4,273 vaccinations and 7,258 people engaged on the bus.

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FINANCIAL REVIEW

The year end results show a net income of £2,737,121 (2021: £269,381); this is a significant increase on previous years and must be highlighted that this is due to a one-off donation in March 2022 of £2,000,000, plus gift aid of £500,000, towards a capital project in East Cleveland. Without this one-off donation, the net income was £237,121 similar to 2021 net income.

It is important to note that, due to the geographical restriction placed on the East Cleveland donation, it is a restricted fund. However, as there is no time limitation for the expenditure, all of the funds received in the year are required to be shown within the net surplus. These funds are restricted for a particular purpose and therefore do not add to the unrestricted reserves of the Foundation. A total of £117,432 (2021: £190,415) of the total net income for the year, excluding the capital project donation, is ring-fenced for the East Cleveland project delivery.

The Trustees are very pleased with the overall performance of the Foundation this year. The value of funds generated through unrestricted funding is particularly pleasing as well as the progress made by the Foundation in building up its reserves. Middlesbrough Football Club will renew its support on an annual basis.

Principal funding sources for the Foundation are the Premier League's Charitable Fund, The English Football League Trust, The Football Foundation, a number of Local Authorities, private donations and local educational establishments. The Trustees would like to thank all funders for their generosity and the faith they have placed in the Foundation to deliver the agreed programmes. The expenditure incurred in delivering the programmes is predominantly incurred on full time staff with additional costs for items such as specialist equipment, marketing and staff continuous professional development opportunities.

Reserves Policy

Unrestricted Reserves are part of a charity's funds that are freely available to spend on any of the charity's activities. The Trustees aim to maintain free reserves, being unrestricted funds other than fixed assets, at a level which will enable the Charity to continue operating following a considerable temporary shortfall in income and equates to the total cost of redundancies, for those employees identified as affected, together with 12 months of unrestricted costs.

In 2020/21 the Trustees made the decision to change the policy, to cover unrestricted costs and potential redundancy costs only, however over 12 months. The Board are comfortable that this is the appropriate calculation, ensuring that all unrestricted activities could continue for 12 months, whilst further funding is sourced. Reserves over and above this minimum amount are available for investment in a designated investment reserve.

Based on the budget for the coming year this equates to a reserve requirement in the region of £680,000.

The balance held as unrestricted funds at 31 August 2022 was £956,135 (2021: £836,446) of which £838,827 (2021: £687,702) are regarded as free reserves, after allowing for funds held as tangible fixed assets. This leads to a surplus on unrestricted funds over and above the reserves requirement of £158,827, forming the balance on the Investment Reserve at 31 August 2022.

The Trustees regard the Investment Reserve as funding available to support any shortfall in project funding in the future or match funding requirements.

The Reserves statement in the statutory accounts is reviewed by the Board on an annual basis.

Investments

The Investment Policy was signed off by Board in February 2022 with a further amendment in July 2022 related to ethical investment. The Board delegated investment decisions to the Finance, Governance and Risk Committee who monitor the Foundation's financial performance under the terms of reference.

In July, the Board appointed Rathbone's Investment Management to manage the investments for the Foundation; this was agreed to be for a total of £3,500,000 to be split over four investments. The investments were made up from £1,000,000 Foundation reserves and £2,500,000 capital donation for East Cleveland. During this financial reporting period, £1-m was placed on deposit with Barclays (current account provider) and, after the year end, £2-m was placed on deposit with two other banks and £500,000 invested by Rathbone's.

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PLANS FOR FUTURE PERIOD

During the year ending 31 August 2023, the Foundation will continue to progress plans to regenerate and refurbish the Herlingshaw Centre, with opportunities to increase the footprint of the centre and create a 'state of the art' sport and education facility in South Bank, Redcar and Cleveland.

The East Cleveland Committee will progress plans for a further facility development in East Cleveland thanks to the generous support from the private donor. The area lacks a full size 3G pitch facility and the Foundation will work with Redcar and Cleveland Borough Council to consider plans for a development on the Ben Scott's Playing Field in Loftus.

A capital donation received will specifically be utilised for the Loftus development with a separate contribution from the Foundation reserves earmarked for the Herlingshaw development.

The Foundation strategy is due for review ahead of 2024, with the Board and Team looking at reviewing the impact and outcomes to date and considering the future strategy of the Foundation alongside the facility developments. The Foundation is confident that it can continue to generate an operating surplus and build up sufficient reserves to cover any unforeseen expenditure.

REFERENCE AND ADMINISTRATIVE DETAILS

Company registration number:	03142447
Charity registration number:	1059418
Registered office:	Brignell Road Riverside Park Industrial Estate Middlesbrough TS2 1PS
Solicitors:	Endeavour Partnership LLP Tobias House St Marks Court Teesdale Business Park Teesside TS17 6QW
Bankers:	Barclays Bank Plc PO Box 378 71 Grey Street Newcastle upon Tyne NE99 1JP
Auditors:	Anderson Barrowcliff LLP 3 Kingfisher Court Bowesfield Park Stockton on Tees TS18 3EX

DIRECTORS AND TRUSTEES

The Directors of the Foundation are its Trustees for the purpose of Charity Law.

The Directors and Trustees of the Foundation who held office during the year are as follows:

Trustees:	J Baker - Chairperson N J Bausor J R Bloom Fr A Gaunt K Gibson
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DIRECTORS AND TRUSTEES continued

	J Fryett G J Redman P Rowley OBE
Secretary:	N Jackson
Ambassadors:	T Riordan A Bibby
Key Management Personnel:	
Head of Foundation	H Bowman (Resigned 18 February 2022) L Edwards (Appointed 21 February 2022)

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Foundation is a company limited by guarantee. The guarantee of members is limited to £1 each in the event of the Foundation being wound up. The Foundation is governed by its Memorandum and Articles of Association, dated 29 December 1995 and amended on 2 October 2012, and again on 24 January 2019.

Recruitment, Induction, Training and Development

The Foundation was established by Middlesbrough Football Club who support the Foundation. The appointment of the Foundation's Trustees is made by the Foundation's Board of Directors. Trustees meet all new Board appointments who are presented with induction material, which includes the latest published financial statements of the Foundation and a business plan for the strategic direction going forward. A detailed explanation of how the Foundation operates is given and any questions are answered.

The Board oversees the induction of all new Trustees to ensure they have the opportunity to familiarise themselves with the Foundation and are aware of their roles and responsibilities going forward. All Directors are encouraged to undertake further training as identified by periodic skills reviews.

Organisational Structure

The Board of Trustees, outlined in the reference information above, meet as a minimum quarterly to discuss the performance of the Foundation. There are three Trustee-led Committees, of which the Head of Foundation and other members of the Senior Manager Team, as appropriate, attend. These are: Finance, Audit, Risk and Governance Committee, Fundraising and Events Committee and East Cleveland Committee. Key decisions continue to be made by the Board. Other decisions on the day to day running of the Foundation are made by the Head of Foundation and Senior Management Team, under authority delegated to the Head of Foundation by the Board.

Remuneration Policy for Senior Staff

The Foundation's Trustees and the Senior Management Team comprise the key management personnel of the Foundation in charge of directing and controlling, running and operating the Foundation on a day-to-day basis. All Trustees give of their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are given in note 11 and 20 to the accounts.

The remuneration of senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the Foundation the Trustees benchmark against remuneration levels in other clubs' foundations, and also consider the ability of the Foundation to cover the cost of any increases.

Risk Management

To minimise the risk of cessation of the Foundation's activities, the Board continually seeks new funding to secure the continuation of the Foundation. However, in the current economic climate, the Board is extensively seeking further grant opportunities, as local government and councils have fewer funds available for the scope of services which the Foundation performs. The Foundation has a full Risk Management policy and the major risks are reviewed formally by the Trustees at least twice a year.

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STRUCTURE, GOVERNANCE AND MANAGEMENT continued

Related Parties

The Foundation is closely related to Middlesbrough Football Club. The Foundation has use of the name and badge of Middlesbrough Football Club and occupies part of the Riverside Stadium. The Trustees are grateful for the administration services and use of facilities donated by Middlesbrough Football Club. The value of these services in the year totalled £279,956 (2021: £126,236).

RESPONSIBILITIES OF MEMBERS OF THE BOARD OF TRUSTEES

The Trustees are responsible for preparing the Trustees' annual report and 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 Foundation and for the incoming resources and application of resources, including income and expenditure of the Foundation for that year. 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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company 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 Foundation 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 Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

We, the Trustees of the Foundation who held office at the date of approval of these financial statements, as set out above, each confirm so far as we are aware, that:

- there is no relevant audit information of which the Foundation's auditors are unaware; and
- the Trustees have taken all the steps that they ought to have taken as Directors in order to make ourselves aware of any relevant audit information and to establish that the Foundation's auditors are aware of that information.

PUBLIC BENEFIT

The Foundation strives to understand the needs of the area and the communities living in them and looks for funding opportunities within the region's business market.

By working in partnership with local schools, statutory organisations, community organisations and businesses the management team can better understand the needs and requirements of local people, and then try to access the most appropriate funding streams to provide suitable means for those individuals to address their education and sporting needs.

When reviewing the aims and objectives of the Foundation the Board of Trustees has referred to Charity Commission general guidance on Public Benefit and is satisfied that the Foundation meets Public Benefit requirements.

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AUDITORS

The Auditors, Messrs Anderson Barrowcliff LLP, have expressed their willingness to continue in office for the ensuing year, and a resolution proposing their re-appointment as Auditors will be put to the Board of Trustees.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On Behalf of the Board


J Baker
Chairperson

Date: 24.3.'23

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Report of the Independent Auditor's to the Members of Middlesbrough Football Club Foundation

Opinion

We have audited the financial statements of Middlesbrough Football Club Foundation (the 'charitable company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

In our opinion the financial statements:-

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 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 requirements of 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 Trustees Report, other than the financial statements and our Report of the Independent Auditor's 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matter 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Report of the Independent Auditor's to the Members of Middlesbrough Football Club Foundation

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 Report of the Trustees.

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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the 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 but to do so.

Auditor's responsibilities for the audit of the financial statements

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 a Report of the Independent Auditors 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the charity, we have considered applicable laws and regulations which may be fundamental to the charity's ability to operate or to avoid a material penalty, and we considered the extent to which non-compliance might have a material effect on the financial statements. We considered management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate manual journal entries to manipulate financial performance, management bias in significant accounting estimates and any significant one-off or unusual transactions.

We discussed among the audit engagement team the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Report of the Independent Auditor's to the Members of Middlesbrough Football Club Foundation

Auditors' responsibilities for the audit of the financial statements (continued)

Audit procedures performed by the engagement team included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Challenging estimates and judgements made by management in their significant accounting estimates.
- Revenue recognition; agreeing a sample of revenue transactions to gain assurance over the occurrence and accuracy of revenue and also to ensure revenue has been recognised in the correct period.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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.



D J Robertson FCA - Senior Statutory Auditor
For & on behalf of Anderson Barrowcliff LLP
Statutory Auditor
3 Kingfisher Court
Bowesfield Park
Stockton on Tees
TS18 3EX

Date: 28 March 2023

Middlesbrough Football Club Foundation
A Company Limited by Guarantee

Statement of Financial Activities
(including income and expenditure account)
for the Year Ended 31 August 2022

	Note	Unrestricted Funds £	Restricted Funds £	East Cleveland Fund £	Total Funds 2022 £	Total Funds 2021 £
Income						
Donations and legacies	2	328,105	-	3,025,326	3,353,431	735,600
Income from charitable activities	3	581,964	1,006,939	-	1,588,903	1,303,194
Other trading activities	4	159,887	-	-	159,887	59,201
Total income		1,069,956	1,006,939	3,025,326	5,102,221	2,097,995
Expenditure						
Costs of raising funds	5	110,779	-	-	110,779	76,647
Charitable activities	6	839,984	1,006,443	407,894	2,254,321	1,751,967
Total Expenditure		950,763	1,006,443	407,894	2,365,100	1,828,614
Net income		119,193	496	2,617,432	2,737,121	269,381
Transfers between funds	18	496	(496)	-	-	-
Net movement in funds		119,689	-	2,617,432	2,737,121	269,381
Reconciliation of Funds						
Funds brought forward at 1 September 2021		836,446	-	918,989	1,755,435	1,486,054
Total funds carried forward at 31 August 2022	17	956,135	-	3,536,421	4,492,556	1,755,435

The notes on pages 17 to 26 form an integral part of these financial statements

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Registered Number: 03142447

Balance Sheet As At 31 August 2022

	Note	2022 £	2021 £
Fixed Assets			
Tangible assets	12	316,011	373,383
Current Assets			
Debtors	13	822,912	170,361
Cash at bank & in hand		3,896,184	1,706,538
		<u>4,719,096</u>	<u>1,876,899</u>
Creditors: Amounts falling due within one year	14	<u>(306,713)</u>	<u>(274,745)</u>
Net Current Assets		<u>4,412,383</u>	<u>1,602,154</u>
Total Assets Less Current Liabilities		<u>4,728,394</u>	<u>1,975,537</u>
Creditors: Amounts falling due after more than one year	15	<u>(235,838)</u>	<u>(220,102)</u>
Net Assets	16	<u><u>4,492,556</u></u>	<u><u>1,755,435</u></u>
Funds			
Restricted funds	17	-	-
East Cleveland fund	17	3,536,421	918,989
Unrestricted funds	17	<u>956,135</u>	<u>836,446</u>
Total Funds	16	<u><u>4,492,556</u></u>	<u><u>1,755,435</u></u>

These accounts have been prepared in accordance with the special provision in Part 15 of the Companies Act 2006 relating to small companies.

The accounts were approved by the board of trustees on24/3/2023.... and signed on its behalf by

.....
J Baker
Chairman

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Statement of Cash Flows
for Year Ended 31 August 2022

		2022	2021
	<u>Note</u>	£	£
Cash from operating activities	23	2,189,646	269,423
Cash flow from investing activities			
Payments to acquire tangible fixed assets		-	(146,637)
Net cash flow provided by (used in) investing activities		-	(146,637)
Change in cash and cash equivalents in the year		2,189,646	122,786
Cash and cash equivalents at the beginning of the year		1,706,538	1,583,752
Cash and cash equivalents at the end of the year		3,896,184	1,706,538

The notes on pages 17 to 26 form an integral part of these financial statements

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Notes to the Accounts for the Year Ended 31 August 2022

1 ACCOUNTING POLICIES

(a) General Information and basis of preparation

Middlesbrough Football Club Foundation is a private company limited by guarantee registered in England and Wales. It is registered as a charity with the Charity Commission. The address of the registered office is given in the Report of the Trustees on page 6. The nature of the Foundation's operations and principal activities are shown in the Report of the Trustees on page 1. The members of the Foundation are the trustees listed on page 7. In the event of the Foundation being wound up, the liability in respect of the guarantee is limited to £1 per member of the Foundation.

The Foundation constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charitable companies preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention. The trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Foundation to be able to continue as a going concern.

The financial statements are prepared in sterling which is the functional currency of the Foundation, rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Income

Items of income are recognised and included in the SOFA when all the following criteria are met:-

- The Foundation have entitlement to the funds;
- Any performance conditions attached to the item(s) of income have been met or are fully within the control of the Foundation.
- There is sufficient certainty that receipt of the income is considered probable; and
- The amount can be measured reliably.

Donations and grants received for specific purposes are classed as restricted and are deferred until the Foundation is entitled to the funding and has met the conditions set out in the funding agreement.

Gifts in kind are included within donations in the SOFA at an estimate of the cost of providing the service. The equivalent cost is also included within resources expended.

There is no netting off of expenditure within the accounts.

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Notes to the Accounts for the Year Ended 31 August 2022

1 ACCOUNTING POLICIES (continued)

(c) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount can be measured reliably. Irrecoverable VAT is included in expenditure against the relevant cost for which the expenditure was incurred. Expenditure is classified under the following headings:

- Costs of raising funds are those incurred in attracting donations, and those incurred in trading activities that raise funds.
- Charitable expenditure comprises those costs incurred by the Foundation in the delivery of its activities. It includes both costs which can be directly allocated to activities and those costs of an indirect nature.
- Support costs are those functions that assist the work of the Foundation but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs.
- Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

(d) Fixed assets

Fixed assets are stated at purchase cost together with any incidental costs of acquisition less accumulated depreciation. Assets are capitalised if they cost more than £500 and are expected to last more than one year.

Depreciation is calculated on a straight line method to write off the cost of fixed assets over their estimated useful economic lives as follows:

Computer equipment	25% per annum straight line
Fixtures and fittings	20% and 10% per annum straight line
Land and buildings	5% per annum straight line
Motor Vehicles	10% per annum straight line

(e) Debtors

Trade and other debtors are recognised at the settlement amount due.

(f) Cash at bank

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(g) Creditors

Creditors and provisions are recognised where the Foundation has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

(h) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Foundation and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Foundation for particular purposes. The cost of raising and administering the funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Notes to the Accounts for the Year Ended 31 August 2022

1 ACCOUNTING POLICIES (continued)

(i) Financial instruments

The Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

(j) Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities as incurred.

(k) Pension scheme

The Foundation operates a fully insured, contributory defined contribution pension scheme for all employees. The Foundation contributions are charged to the SOFA in the period to which they relate.

(l) Judgements and Key sources of estimation uncertainty

In the application of the Foundation's accounting policies, which are described above, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2 DONATIONS AND LEGACIES

	Unrestricted £	Restricted £	East Cleveland £	2022 £	2021 £
Middlesbrough Football Club Gifts in kind	279,956	-	-	279,956	126,236
Donations	48,149	-	3,025,326	3,073,475	577,421
Coronavirus Job Retention Scheme (CJRS)	-	-	-	-	31,943
	<u>328,105</u>	<u>-</u>	<u>3,025,326</u>	<u>3,353,431</u>	<u>735,600</u>

The £279,956 gift in kind costs (2021: £126,236) donated by Middlesbrough Football Club is an estimate of the value of staff time and donated facilities provided to Middlesbrough Football Club Foundation. The associated expenses are included within the Sports Participation costs as detailed in note 6.

The restricted donation £3,025,326 (2021: £525,000) has been requested to be spent in East Cleveland.

Income from donations and legacies for 2021 was £735,600, of which £525,000 was attributable to East Cleveland, £Nil restricted and £210,600 was attributable to unrestricted.

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Notes to the Accounts for the Year Ended 31 August 2022

3 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted £	Restricted £	2022 £	2021 £
Education and Employability	198,008	421,405	619,413	413,113
Sport and Physical Activity	312,336	26,057	338,393	224,962
Health and Wellbeing	10,519	78,090	88,609	85,662
Social Inclusion and Community Cohesion	58,903	481,387	540,290	577,379
Interest received	2,198	-	2,198	2,078
	<u>581,964</u>	<u>1,006,939</u>	<u>1,588,903</u>	<u>1,303,194</u>

Income from charitable activities for 2021 was £1,303,194 of which £928,814 was attributable to restricted and £374,380 was attributable to unrestricted.

4 INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted £	Restricted £	2022 £	2021 £
<i>Fundraising activities:</i>				
Fundraising	133,872	-	133,872	52,072
Sundry income	26,015	-	26,015	7,129
	<u>159,887</u>	<u>-</u>	<u>159,887</u>	<u>59,201</u>

Income from other trading activities for 2021 was £59,201 all of which was attributable to unrestricted.

5 COSTS OF RAISING FUNDS

	Unrestricted £	Restricted £	2022 £	2021 £
<i>Fundraising activities:</i>				
Staff costs	60,148	-	60,148	45,022
Equipment and consumables	34,459	-	34,459	25,419
Promotions & Events	14,497	-	14,497	4,865
Travel and tours	1,500	-	1,500	1,341
Other costs	175	-	175	-
	<u>110,779</u>	<u>-</u>	<u>110,779</u>	<u>76,647</u>

Costs of raising funds for 2021 was £76,647, all of which was attributable to unrestricted.

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Notes to the Accounts for the Year Ended 31 August 2022

6 EXPENDITURE ON CHARITABLE ACTIVITIES

	Education and Employ- ability £	Sport and Physical Activity £	Health and Wellbeing £	Social Inclusion and Community Cohesion £	Total 2022 £	Total 2021 £
Staff Costs	537,789	182,897	80,625	470,001	1,271,312	994,395
Equipment & consumables	37,622	7,017	7,852	63,020	115,511	168,403
Travel & Tours	16,069	432	1,243	32,598	50,342	20,655
Depreciation	10,874	32,061	2,015	12,422	57,372	42,504
General office costs	-	-	-	-	-	4,196
Premises costs	24,686	84,561	7,050	49,177	165,474	109,479
Training	14,283	1,606	547	11,043	27,479	21,441
Events	16,276	544	3,348	25,096	45,264	49,344
Other Costs	13,786	10,642	2,045	10,552	37,025	58,350
3G Pitches Sinking Fund	-	36,000	-	-	36,000	21,000
Support costs (see below)	177,141	10,954	32,826	202,352	423,273	242,362
Governance costs (note 7)	10,575	654	1,960	12,080	25,269	19,838
	859,101	367,368	139,511	888,341	2,254,321	1,751,967

Support Costs

	Education and Employ- ability £	Sport and Physical Activity £	Health and Wellbeing £	Social Inclusion and Community Cohesion £	Total 2022 £	Total 2021 £
Staff costs	54,432	3,366	10,087	62,180	130,065	95,738
General office costs	12,195	754	2,260	13,930	29,139	27,802
Equipment & consumables	5,332	330	988	6,091	12,741	19,464
Other costs	475	29	88	542	1,134	8,339
Events	53,122	3,285	9,844	60,682	126,933	1,037
Premises costs	51,585	3,190	9,559	58,927	123,261	89,982
	177,141	10,954	32,826	202,352	423,273	242,362

Expenditure on charitable activities was £2,254,321 (2021: £1,751,967) of which £1,414,337 (2021: £1,263,399) was attributable to restricted and £839,984 (2021: £488,568) was attributable to unrestricted.

7 GOVERNANCE COSTS

	2022 £	2021 £
Staff costs	14,400	10,848
Trustees insurance	1,689	1,355
Bank charges	680	655
Legal fees	-	-
Audit & accountancy fees	8,500	6,980
	25,269	19,838

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Notes to the Accounts for the Year Ended 31 August 2021

8 NET INCOME FOR THE YEAR

This is stated after charging:-

	2022	2021
	£	£
Depreciation	57,372	42,504
Auditors remuneration -- for audit	8,500	6,980
Operating lease rentals -- equipment	1,824	1,125
	<u> </u>	<u> </u>

9 STAFF COSTS

	2022	2021
	£	£
Wages & salaries	1,294,242	1,041,181
Social Security costs	90,367	74,336
Pension costs	30,474	25,601
	<u> </u>	<u> </u>
	<u>1,415,083</u>	<u>1,242,561</u>

No employee received more than £60,000 per annum.

The average monthly head count for the year was 80 (2021: 58).

10 TAXATION

The Foundation is a Charity established under the Charities Act 2011. Accordingly, the Foundation is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 10 of the ITA 2007 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

11 TRUSTEES' AND KEY MANAGEMENT PERSONNEL REMUNERATION AND EXPENSES

None of the Trustees received any remuneration in the year (2021: £nil).

None of the Trustees had expenses in the year (2021: £122 for travel and subsistence).

The total amount of employee benefits received by key management personnel is £47,920 (2021: £53,632). The Foundation considers its key management personnel comprise the Chief Executive/Head of Foundation. There is 1 (2021 - 1) key management person accruing pension arrangements.

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Notes to the Accounts for the Year Ended 31 August 2022

12 TANGIBLE FIXED ASSETS

	Land and Buildings £	Fixtures and Fittings £	Computer Equipment £	Motor Vehicles £	Total £
Cost					
At 1 September 2021	668,176	45,003	15,918	146,637	875,734
At 31 August 2022	<u>668,176</u>	<u>45,003</u>	<u>15,918</u>	<u>146,637</u>	<u>875,734</u>
Depreciation					
At 1 September 2021	477,286	17,101	7,964	-	502,351
Provided during year	33,420	5,100	3,984	14,868	57,372
At 31 August 2022	<u>510,706</u>	<u>22,201</u>	<u>11,948</u>	<u>14,868</u>	<u>559,723</u>
Net Book Value					
At 31 August 2022	<u>157,470</u>	<u>22,802</u>	<u>3,970</u>	<u>131,769</u>	<u>316,011</u>
At 31 August 2021	<u>190,890</u>	<u>27,902</u>	<u>7,954</u>	<u>146,637</u>	<u>373,383</u>

All tangible fixed assets were used for charitable purposes.

13 DEBTORS

	2022 £	2021 £
Trade debtors	121,393	70,521
Prepayments and accrued income	673,271	81,594
Other debtors	28,248	18,246
	<u>822,912</u>	<u>170,361</u>

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	53,582	40,988
Other taxes & social security costs	32,138	28,608
Accruals	12,264	15,758
Other creditors	1	1
Deferred income	208,728	189,390
	<u>306,713</u>	<u>274,745</u>

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Notes to the Accounts for the Year Ended 31 August 2022

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022 £	2021 £
Amounts owed to Middlesbrough Football Club	-	9,195
Deferred income	55,876	66,944
Other creditors	179,962	143,963
	<u>235,838</u>	<u>220,102</u>

Deferred income comprises funding received in advance for projects over a specific time period which overlaps the year end.

16 ANALYSIS OF NET ASSETS

Fund balances 31 August 2022 are represented by:-

	Unrestricted £	Restricted £	East Cleveland £	2022 £	2021 £
Tangible fixed assets	117,308	66,934	131,769	316,011	373,383
Current assets	1,116,774	197,670	3,404,652	4,719,096	1,876,899
Creditors falling due within one year	(97,985)	(208,728)	-	(306,713)	(274,745)
Creditors falling due after one year	(179,962)	(55,876)	-	(235,838)	(220,102)
	<u>956,135</u>	<u>-</u>	<u>3,536,421</u>	<u>4,492,556</u>	<u>1,755,435</u>

17 ANALYSIS OF MOVEMENT IN FUNDS

	Unrestricted £	Restricted £	East Cleveland £	2022 £	2021 £
At 1 September 2021	836,446	-	918,989	1,755,435	1,486,054
Incoming resources	1,069,956	1,006,939	3,025,326	5,102,221	2,097,995
Outgoing resources	(840,763)	(1,006,443)	(407,894)	(2,255,100)	(1,828,614)
Gross Transfer between Funds	496	(496)	-	-	-
At 31 August 2022	<u>956,135</u>	<u>-</u>	<u>3,536,421</u>	<u>4,492,556</u>	<u>1,755,435</u>

18 SHARE CAPITAL

The Foundation does not have any share capital and is limited by guarantee. The members of the Foundation are directors and their guarantee is limited to £1.

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Notes to the Accounts for the Year Ended 31 August 2022

19 RESTRICTED FUNDS FROM CHARITABLE ACTIVITIES

	Education and Employ- ability £	Sport and Physical Activity £	Health and Wellbeing £	Social Inclusion and Community Cohesion £	Total £
Balance at 1 September 2021	-	-	-	-	-
Received in year	421,405	26,057	78,090	481,387	1,006,939
Expended in year	(426,845)	(13,978)	(78,947)	(486,673)	(1,006,443)
Gross transfers between funds	5,440	(12,079)	857	5,286	(496)
Balance at 31 August 2022	-	-	-	-	-

The monies received relate to grants made by the following bodies for the following purposes: -

Education income was granted by the Premier League Charitable Fund, British Land, Stockton Borough Council, Redcar and Cleveland Borough Council and local schools and academy trusts to support delivery of education in the local community. The Primary Stars programme received funding from the Premier League Charitable Fund and local schools for the delivery of Curriculum Physical Education. The Employability projects were funded by the English Football League Trust, Tees Valley Combined Authority, The Prince's Trust, Darlington Borough Council, British Land, Coach Core and Optimum Skills.

Sport and Physical Activity income was granted by North Riding County Football Association to deliver football to engage young people and adults in disability football and The Twinning Project to work in a local prison.

Health and wellbeing income was granted by the English Football League Trust for health prevention sessions in primary schools. The English Football League Trust also funded 'Fit Fans' a programme supporting adults to lose weight and increase their levels of physical activity. A programme targeting refugees and asylum seekers to engage in their local community was funded via Middlesbrough Asylum Project and Amnesty International. Football Foundation started their funding of the Foundation for the Active Through Football programme.

Social Inclusion and Community Cohesion income was granted by the Premier League Charitable Fund, the Office for Police and Crime Commissioner for Cleveland for the delivery of Premier League Kicks and Premier League Kicks Targeted. The National Citizen Service Trust and The English Football League Trust supported the delivery of the National Citizen Service; and Kindred Group funded Team Talk, a programme engaging men to support their mental health. Disability projects were funded by North Riding County Football Association, The English Football League Trust and the Premier League Charitable Fund. Four local authorities of Middlesbrough, Stockton, Redcar and Cleveland and Hartlepool along with the Office for Police and Crime Commissioner for Cleveland funded two targeted interventions, Switch It and Chances. Thirteen Housing provided funded for a social inclusion programme for families living in houses managed by the company.

RESTRICTED FUNDS FROM DONATIONS – EAST CLEVELAND FUND

	2022 £	2021 £
Balance at 31 August 2021	918,989	728,574
Received in year	3,025,326	525,000
Expended in year	(407,894)	(334,585)
Balance at 31 August 2022	3,536,421	918,989

During the year a further donation was received for the East Cleveland Fund with a specific request that the funds should be spent as an ongoing project for the benefit of the population in East Cleveland.

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Notes to the Accounts for the Year Ended 31 August 2022

20 RELATED PARTY TRANSACTIONS

During the year Middlesbrough Football Club provided services, staff and facilities to the value of £279,956 (2021: £126,236).

At 31 August 2022 the Foundation owed £4,709 (2021: £351) to Middlesbrough Football Club. At 31 August 2022 the Foundation owed £Nil to Middlesbrough Football Club (2021: £9,195) from a loan, which is repayable in more than one year. The Foundation provided £29,984 (2021: £32,907) of sundry services to Middlesbrough Football Club and was provided with £86,597 (2021: £89,270) of sundry services from Middlesbrough Football Club.

21 ULTIMATE CONTROLLING PARTY

The Trustees control the Foundation by virtue of their appointment to the board.

22 PENSION COSTS

The Foundation operates a fully insured contributory defined contribution pension scheme for all employees. The charge for the year amounted to £30,474 (2021: £25,601). The amount outstanding at 31 August 2022 was £6,611 (2021: £5,677).

23 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net income for year	2,737,121	269,381
Add back depreciation of tangible fixed assets	57,372	42,504
(Increase)/Decrease in debtors	(652,551)	(57,828)
Increase/(Decrease) in creditors	47,704	15,366
	<hr/>	<hr/>
Net cash flow from operating activities	<u>2,189,646</u>	<u>269,423</u>