FOUNDATION OF LIGHT

England & Wales · Charity number 1089333

Details

Other names	SAFC FOUNDATION
Status	Registered
Legal form	Charitable company
Company number	04243171
Registered	2001-11-14
Register	View on the Charity Commission register

Contact

Address	Beacon of Light Vaux Brewery Way Sunderland SR5 1SN
Phone	01915634777
Email	gemma.snaith@foundationoflight.co.uk
Website	www.foundationoflight.co.uk

Activities

Objects: FOR THE PUBLIC BENEFIT IN ACCORDANCE WITH THE LAW OF ENGLAND AND WALES, PARTICULARLY IN THE NORTH EAST OF ENGLAND AND CUMBRIA (THE "AREA OF BENEFIT"):-1) TO RELIEVE PERSONS IN NEED, HARDSHIP AND DISTRESS OR WHO ARE AGED OR SICK;2) TO ADVANCE THE EDUCATION (INCLUDING THE SOCIAL AND PHYSICAL TRAINING) OF CHILDREN AND YOUNG PERSONS ATTENDING SCHOOLS AND CLUBS IN THE AREA OF BENEFIT THROUGH THE USE OF A GAME OF FOOTBALL AND OTHER SPORTS ACTIVITIES AS EDUCATIONAL TOOLS AND THEREOF TO PROVIDE FACILITIES IN THE AREA OF BENEFIT FOR MEETINGS, LECTURES AND CLASSES FOR THE BENEFIT OF SUCH CHILDREN AND ANY YOUNG PERSONS; AND3) TO PROMOTE ANY OTHER CHARITABLE PURPOSES.

Activities: The Foundation strives to? Raise educational attainment; inspire a commitment to learning? Increase skills and access to employment by connecting people to the world of work? Enable people to develop healthier and happier lives; support the development of vibrant and respectful communities? Provide more opportunities for inclusive sport and play inspiring participation and achievement;

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Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Disability, Amateur Sport, Economic/community Development/employment
- **Who:** Children/young People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, The General Public/mankind

Geography

- **Area of benefit:** PARTICULARLY IN THE NORTH EAST OF ENGLAND AND CUMBRIA
- Spain
- Durham
- South Tyneside
- Sunderland

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£4,910,621	£5,222,526	£16,599,848	150
2023-08-31	£4,293,757	£4,772,165	£16,911,753	143
2022-08-31	£4,385,917	£4,929,425	£17,390,161	144
2021-08-31	£3,775,505	£4,098,441	£17,933,669	163
2020-08-31	£4,374,585	£4,239,192	£18,256,605	135

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Trustees

Name	Role	Appointed
ROBERT SYDNEY MURRAY CBE	Chair	
Baroness Estelle Morris		
George Clarke		2013-12-14
HONOURABLE JAMES RAMSBOTHAM C.B.E.		
Jill Scott MBE		2023-12-05
KATE ADIE		
Kyril Robert Leonid Louis-Dreyfus		2021-07-20
LADY TANNI GREY-THOMPSON		2018-11-30
Martin Hibbert		2021-12-09
SIR TIM RICE		
STEVE CRAM MBE		

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FOUNDATION OF LIGHT

England & Wales - Charity number 1089333

Accounts

Foundation of Light (a Company Limited by Guarantee)
Consolidated Annual Report and Financial Statements for the year ended 31 August 2024

Registered Charity Number: 1089333

Registered Company Number: 04243171

Foundation of Light

Annual Report and Consolidated Financial Statements for the year ended 31 August 2024

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Foundation of Light

Trustees and Advisers for the year ended 31 August 2024

Trustees
Sir Robert Sydney Murray CBE - Chair of Trustees
Col. The Hon. James David Alexander Ramsbotham CBE, DL - Vice Chair of Trustees
Kathryn Adie CBE, DL
George Clarke
Stephen Cram CBE - Treasurer
Kyril Robert Leonid Louis-Dreyfus
Martin James Hibbert
The Rt Hon. The Baroness Estelle Morris of Yardley, PC
Sir Timothy Miles Bindon Rice
The Rt Hon. The Baroness Tanni Carys Davina Grey-Thompson DBE, DL
Jill Scott MBE (appointed 5th December 2023)

Key Management

Lesley Spuhler OBE DL	Chief Executive
James Wright	Managing Director – Foundation of Light
Ciaron Brunning	Financial Controller
Clare Wilson	Managing Director – Altruism

Registered Office
Beacon of Light
Stadium Park
Sunderland
SR5 1SN

Banker
Barclays Bank PLC
53 Fawcett Street
Sunderland
SR1 1RS

Independent Auditor
RSM UK Audit LLP
Chartered Accountants
1 St. James' Gate
Newcastle upon Tyne
NE1 4AD

Legal Advisor
Ward Hadaway
102 Quayside
Newcastle upon Tyne
NE1 3DX

Foundation of Light

Chairman's Statement

I am pleased to share this year's Annual Report.

Over the past year, the Foundation of Light has solidified its role as a key player in addressing the region's challenges. Through its focus on education, employability, health, and community, the Foundation continues to provide life-changing opportunities, especially for those in vulnerable situations.

In response to the cost-of-living crisis and ongoing economic challenges, the Foundation has redoubled its efforts to support those in need, equipping individuals and families with the tools and opportunities to build better lives. Through employability programmes, we have empowered individuals with the skills and confidence needed to gain employment. In 2024 alone, we upskilled nearly 1,500 young people and adults, supported over 600 participants in their employment journey, and helped nearly 100 secure jobs.

Our impact is evident in the breadth and depth of our work. Over the past year, we have touched the lives of over 23,000 people through 50 diverse programmes focused on boosting confidence, enhancing life skills, and promoting physical and mental health. From our youngest participant at 18 months to our oldest at 94 years, the Foundation continues to serve as a cornerstone of hope and support for all generations.

This year, the Foundation's partnerships with local councils, universities, and community organisations have ensured the delivery of transformative programmes. New collaborations with Sunderland and Durham Universities, Croda and Roseline Foundations, and local authorities have opened doors to innovative projects and mentoring opportunities. Our work has been recognised with accolades such as the County Durham Kitemark for high-quality volunteer experiences, a testament to the dedication of over 100 volunteers who bring our mission to life.

We are proud to welcome Jill Scott, an inspirational figure and European Champion with the Lionesses, to our Board of Trustees. Jill's achievements and values perfectly align with the Foundation's ethos, and her presence enhances our ability to inspire the next generation.

The Beacon of Light remains a hub of activity and community engagement, hosting not only our Foundation programmes but also providing a home for Wearside Women in Need and Sunderland University's sports teams. Initiatives like our Female Football Pathway, which has grown from 200 to 500 participants, reflect our commitment to inclusion and gender equality in sports.

Our venue continues to evolve to meet the diverse needs of our community. From supporting young people with alternative education through the Beacon of Light's provision school to delivering suicide prevention interventions like Andy's Man Club and the first-ever women's support group, Believe, the Foundation's work addresses critical societal challenges. Our SEND support, primary school interventions, and engagement with young offenders demonstrate our holistic approach to empowering individuals and fostering resilience.

Looking ahead, we remain unwavering in our mission to unite Sunderland and its surrounding areas, offering hope, opportunity, and support to those who need it most. Events such as our Gala Dinner provide a platform to celebrate the achievements of our learners and shine a light on the impact of our work.

Chairman's Statement (continued)

As we reflect on the successes of the past year, we also acknowledge the challenges that lie ahead. The Foundation of Light stands as a beacon of hope, resilience, and progress for our community. Together, with the continued support of our partners, volunteers, and stakeholders, we will persevere in our mission to make a meaningful difference in the lives of those we serve.

Sir Bob Murray CBE

29 March 2025

Foundation of Light

Trustees' Report for the year ended 31 August 2024

The Trustees are pleased to present their annual report together with the audited financial statements of the Charity and Group for the year ended 31 August 2024. This report includes the information required to satisfy the company law requirements to present a Strategic Report and a Directors' Report.

Structure, Governance and Management

The Foundation of Light is a registered charity with a simple, but very important, mission. To use the power of football to tackle the North East's biggest societal challenges, and to help members of the community to live happier and healthier lives.

The Foundation uses its position and profile to access traditionally 'hard to reach' communities and works across four programme areas: sport and play; world of work, education, and health and wellbeing.

Governing Document

Foundation of Light is a company limited by guarantee, governed by its Memorandum and Articles of Association dated November 2001. The liability of the Trustees for the debts and liabilities of the company is limited, and in the event of the company being wound up, would not exceed £1. It is registered as a charity with the Charity Commission (registered number 1089333), with two subsidiaries - Altruism Limited (registered number 04303983) date of incorporation 12th Oct 2001 which is governed by its Memorandum and Articles dated 12th Oct 2001 and updated on the 24th Oct 2014 and also Beacon of Light (registered number 09221229) date of incorporation 16th Sept 2014 which is governed by its Memorandum and Articles dated 16th Sept 2014.

Appointment of Trustees

As set out in the Articles of Association, Trustees are invited to join the Board, however full-time/part time staff members of Foundation of Light are not eligible. From time-to-time nominees may be invited to become friends of the Foundation or honorary members. Sunderland AFC Limited ('the Club') can appoint one Trustee. At the Annual General Meeting one third of Trustees shall resign by rotation and are then eligible to be re-appointed if nominated. Trustees should have the skills and experience needed to lead the Charity and can be reappointed when their full term is completed should the Skills Audit confirm involvement is still relevant.

Trustee Induction and Training

New Trustees receive an induction pack that includes the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the Charity. Trustees are encouraged to attend appropriate external training events to assist them in the undertaking of their role.

Organisation

The Board of Trustees, which shall include no less than six members and not more than twelve, administers the Charity. The Board meets at least four times a year and there are sub-committees covering Finance, Audit and Risk (comprises four committee members, including three independent members to review the integrity of the financial statements, advise on and oversee risk, and appoint

external audit; where appropriate making recommendations to the Trustees), Nominations and Remuneration, and Programmes Committee which meet more regularly. A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the Charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance, employment, education, skills and sport related activity. Administrative details for the Charity, its Trustees, and advisors, are detailed on page 1.

Governance Review and Board Effectiveness

The Governance Review was initiated in 2020 and has resulted in several improvements since including the development of a Governance Manual, with updated terms of references and scheme of delegation and the streamlining of the policy matrix and associated manuals. Trustees have undertaken a skills survey and there have been positive changes made to the Finance, Audit and Risk Committee, the introduction of the Programmes Committee, two joint meetings and new members appointed to various Boards. Stakeholder mapping and engagement has taken place. A fourth Strategy Day is planned in 2025 to discuss the Foundation's new strategy.

Related Parties

Although Foundation of Light is structurally and financially independent from Sunderland AFC ("the Club"), the Club supports its own registered Charity in many ways, not least through its gifts in kind such as match day tickets, prime accommodation, and auction prizes.

Key Management Pay

The pay of all staff including key management is banded in salary grades dependent on their role. Each grade is reviewed regularly and compared to similar roles in the sector. Revisions to pay grades are included in the annual budget setting process and a recommendation is made to Trustees on the level of pay increases to be awarded. The Trustees delegate the approval process to the Nominations and Remunerations Committee who have the final approval in the pay awards granted for the year.

Risk Management

The Trustees have a risk management strategy which comprises:

- An annual review of the risks the Group may face;
- The establishment of systems and procedures to mitigate those risks identified in the plan; and
- The implementation of procedures designed to minimise any potential impact on the Charity should those risks materialise.

This work has identified a few major risks which has resulted in improved procedures and contingency plans and has given the impetus for better planning. Particular attention is focused on non-financial risks arising from working with young people such as safeguarding and health and safety. A key element in the management of financial risk is the setting of a regular review through the Finance, Audit and Risk Committee and key management.

Trustees' Report for the year ended 31 August 2024 (continued)

Principle Risks and Uncertainties

The Foundation and its Subsidiaries will always face business risks; however, the Board of Trustees has taken steps to mitigate these as far as possible. The Finance, Audit and Risk Committee, together with the Trustees, oversee risk management, mitigation strategies, and compliance with legal requirements, conducting regular reviews to ensure robust practices are in place. Responsibility for the day-to-day management of risks is delegated to the CEO and the Assistant Director of Compliance, who implement business continuity strategies designed to foster adaptability, resilience, and sustainability. Risks and uncertainties identified include:

Financial

The cost-of-living crisis is straining the Charity and its Subsidiaries through rising operational costs, declining donor capacity, and reduced government funding. To address this, the Foundation is diversifying income streams via enhanced business development, trading activities, and fundraising. Regular financial reviews, reserve management, and lean cost structures are integral to its strategy.

Impact of Poverty on Staff

Economic pressures are increasing staff stress and burnout risks, potentially impacting morale and productivity. Mitigation measures include paying the Real Living Wage, offering wellbeing initiatives (financial advice, stress management), flexible work arrangements, and staff development programmes supported by the Culture Group.

Compliance and Governance

The Foundation navigates complex regulations, including the Charities Commission, Companies Act, General Data Protection Regulation (GDPR), and Health and Safety laws, alongside rising cybersecurity threats. Regular updates to policies, tailored training, a robust safeguarding framework, and enhanced cybersecurity systems ensure compliance and governance.

Human Resources

Recruitment and retention remain challenging due to financial pressures and workloads, while diversity remains a priority. Initiatives include leadership training, health initiatives, succession planning, and equality, diversity and inclusion (EDI) focused activities to create an inclusive workplace.

Operations

Unforeseen events like pandemics and cyberattacks threaten continuity and security. The Foundation maintains an updated Business Continuity Plan, invests in cybersecurity, and conducts regular audits and staff training to build resilience.

Increased Demand for Services

The cost-of-living crisis has heightened demand for the Foundation's programmes, especially health and wellbeing services. To meet this demand, the Foundation secures targeted funding, collaborates with local partners, and regularly evaluates program outcomes to optimise resource use.

Trustees' Report for the year ended 31 August 2024 (continued)

Public Health Issues

While COVID-19 risks have diminished, future pandemics or crises remain possible. The Foundation continues to refine response plans based on past experience and collaborates with other organizations to ensure preparedness.

Achievements and Performance

The past year delivered life-changing outcomes for participants, improving confidence, life skills, community belonging, and physical and mental wellbeing. Key demographic highlights: 5.08% BAME, 32% female, 8.55% disability, and 0.06% LGBTQ+ (disclosed).

2023/2024 Delivery Highlights

- Engagement: 454,987 hours with 23,405 participants, including 6,500 weekly at the Beacon of Light.
- Community Impact: 16,000+ people connected to their communities.
- Youth Interventions: 16,000+ young people making safer, healthier choices.
- Combatting Loneliness: 250+ individuals over 55 engaged in weekly social activities.
- Disability Support: Specialised programmes for 2,000+ participants.
- Life Skills: 1,800+ improved life/employability skills, with 480 achieving qualifications and 78 gaining employment.
- Health: 13,000+ participants improved physical health, and 14,000 improved mental health.
- Volunteering: 136 mental health ambassadors delivering 10,000+ hours.

Programmes reached 183 schools, community centres, and playing fields in deprived areas, delivering education, health, and youth initiatives. Over five years, three million hours of meaningful engagement are targeted, with 454,987 hours delivered this year alone.

Community: Launched Primary Intervention Programme to address behaviour challenges in schools; expanded the YOLO mentoring project with Police Crime Commissioners; and the Holiday Activity and Food (HAF) programme supported 303 unique and 994 repeat young people, ensuring access to healthy meals during school breaks.

Health and Wellbeing: 16,000+ individuals felt more connected to their community and programmes addressed isolation, diet, and physical health, benefiting 2,477 participants.

Education and Skills: 1,000+ participants improved job skills; 874 enhanced job market awareness; 78 gained employment, 825 improved maths and English through family learning, scholarships, and study programme. Partnered with Sunderland College to support at-risk learners.

Trustees' Report for the year ended 31 August 2024 (continued)

Football in the Community: Over 15,000 participants ranging from Little Dribblers (18 months to 5 year olds) to over 55s playing walking football. 634 female footballers accessing weekly coaching opportunities, including the Foundation led Girls Academy programme which has helped develop dozens for SAFC Women first team players. Over 2,000 participants with disabilities accessed inclusive football and wider sports coaching.

Beacon of Light and Income Growth

Achieved profitability for Altruism Ltd, with significant growth in sports space sales, partnerships, and events. In March 2024 Altruism commenced its new café operation, Yard Nine, demonstrated strong income potential. Footfall reached 6,500+ weekly visitors.

Raised £4.91M through local authority grants, trusts, foundations, and donor support. Launched campaigns like "Heart on Your Sleeve" and "Wear One" to address citywide challenges.

Maintained 96% donor retention and developed new partnerships with Croda Foundation, Durham University, and more.

Diversity and Inclusion

Engaged underrepresented groups through Fans Fund initiatives focusing on LGBTQ+, disability, women and girls, anti-racism, and heritage. This strengthened community connections and fostered a diverse, united fanbase.

People

93% of employees feel proud to work for the Foundation, with 92% of leavers expressing willingness to return.

Investment Procedures and Policy

At the present time, the reserves of Foundation of Light are held on interest bearing cash deposits in order to meet on-going liquidity requirements. The Trustees have powers to invest the funds as they see fit, as set out in the Memorandum and Articles of Association.

Reserves Policy

The total annual running costs of Foundation of Light (Group), assuming current programmes continue, are expected to be £5.2 million (excluding Gift in Kind). A substantial proportion of the running costs will be met by future grants and contracts which are expected to be received, subject to certain conditions of performance in addition to fundraising activities. The aim is to sustain unrestricted reserves of the Charity at a minimum level of £750k. A robust business plan has been put in place for both the Foundation and the trading company. Charity unrestricted reserves as of 31 August 2024 are £1.2 million retaining a position ahead of target. Free reserves of the charity are £1,152,360 in 2024 compared to £1,004,758 in 2023. As at the 31 August 2024 the Group unrestricted reserves are £323,350 compared to £94,666 in 2023.

Trustees' Report for the year ended 31 August 2024 (continued)

Inspiring Plans for Future Years

Vision for 2025 and Beyond

2025 marks a transformative year as the Foundation redevelops its strategy, building on past achievements and collaborating with stakeholders to shape the next five years.

Key Delivery Areas

Empowering Young People: Launching a project with the Croda Foundation to tackle worklessness and empower youth; expanding mentoring with the Roseline Foundation; establishing a Youth Hub and introducing a careers initiative in partnership with Helen McArdle and the Harrison Centre for Social Mobility.

Health and Wellbeing: Developing a Health Hub at the Beacon of Light to address isolation and health inequalities. Expanding targeted support programs to improve community inclusion and quality of life.

Regional Growth: Launching new community sessions across Sunderland, South Tyneside, and County Durham with partners including Durham University, Local Authorities and Karbon Homes.

Strengthening Impact and Engagement

Storytelling: Enhancing data collection to showcase impact and reinforce the value of investing in the Foundation.

Inclusivity and Accessibility: Creating more inclusive opportunities with SAFC and Fans Fund, focusing on underrepresented groups.

Participant Voices: Establishing focus groups to ensure programmes align with community needs.

Partnerships: Building alliances with like-minded organizations to amplify impact and reach.

Region of Sport Initiative: Collaborating with the North East Combined Authority to establish accessible physical activity and sports.

Compliance and Organisational Development

Equality, Diversity, and Inclusion (EDI): Developing an EDI strategy with goals for inclusive recruitment, participant voice amplification, and transparency.

Quality: Introducing a quality calendar with programme observations, audits, and staff development.

Excellence Initiatives: Continuing to achieve Capability Code of Practice, Volunteer Kitemark, Better Health at Work Award, Digital Accreditation for innovation, and Disability Confident Employer Level 2.

Trustees' Report for the year ended 31 August 2024 (continued)

Results for the Year

The Group results for the year ended 31 August 2024 show net expenditure of £311,905 against net expenditure of £478,408 for the previous year.

Whilst the depreciation charge of £381,316 for the Beacon is included in the Group accounts, the annual release of capital grants received to support the building of the Beacon of £381,783 in 2024 and £381,315 in 2023 is excluded on consolidation as it was recognised in full on receipt, in line with accounting standards, and is denoted by the restricted fixed asset fund against which the annual depreciation is charged.

The Group again produced a positive trading EBITDA (Earnings before interest, tax, depreciation and amortisation), of £195,055 compared to £40,305 in 2023.

Income for the year was £4,910,621 (2023: £4,293,757) reflecting increases in donations and charitable activities as well as increases in other trading activities. The Group expenditure also increased to £5,222,526 (2023: £4,772,165) as expected against the higher income reported reflecting additional delivery costs.

The reserves of the Group remain strong with funds carried forward of £16,599,848 (2023: £16,911,753) of which unrestricted funds represent £323,350 (2023: £94,666). The reserves for the Charity also remain strong in 2024 at a level of £1,226,235 (2023; £1,225,950) of which £1,202,722 (2023: £1,055,120) are unrestricted and exceeding the minimum target of £750,000 set out in the reserves policy.

The Group's cash generated from operating activities was £144,378 cash inflow (2023: £40,659 outflow), £16,323 was invested on new assets ranging from an interactive totem to equipment to kit out the Yard Nine café area. After interest on loans of £86,954 and capital loan repayments of £40,732, the Group's cash and cash equivalents increased by £369 over the year to £1,192,609, still maintaining a healthy financial position to carry forward into 2025.

Going Concern

The financial statements have been prepared on a going concern basis, notwithstanding that the Group has reported 2024 net expenditure of £311,905 (2023: £478,408) and 2024 net cash inflows of £369 (2023: outflow £100,046). The Group year-end balance sheet for 2024 has net current assets of £1,116,639 (2023: £1,022,902) including cash at bank of £1,192,609 (2023: £1,192,240).

The primary external finance of the Group is the loan due to the Charity Bank which has an outstanding balance of £1,035,569 as of 31 August 2024. Monthly capital and interest repayments commenced February 2023 with the final repayment due January 2038. Interest is charged at 3% above the Bank of England rate. This loan now only has one covenant attached which is a cash covenant in comparison to the previous three covenants.

Management have prepared a cash flow forecast for the period ending 31 August 2026 which has been used as their basis of assessing the going concern basis of preparation. The cash flow reflects grant funding that has already been secured as well as including assumptions that renewals of regular funders will take place.

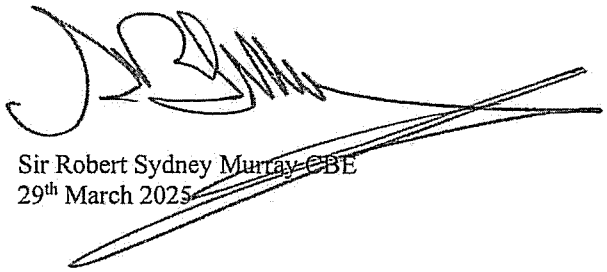
The Trustees are confident that the company and Group will have sufficient funds to continue to meet its liabilities as they fall due and for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

RSM UK Audit LLP were appointed as auditor to the company and a resolution proposing that they be re- appointed will be put at a General Meeting.

Trustees' Report for the year ended 31 August 2024 (continued)

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

On behalf of the Trustees



Sir Robert Sydney Murray CBE
29th March 2025

Foundation of Light

Statement of Responsibilities of the Trustees of Foundation of Light in respect of the Trustees' Annual Report and the Financial Statements

The Trustees, who are also the Directors of Foundation of Light for the purposes of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company and Group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Foundation of Light

Independent Auditor's report to the members of Foundation of Light

Opinion

We have audited the financial statements of Foundation of Light (the 'parent charitable company') and its subsidiaries (the 'Group') for the year ended 31 August 2024 which comprise the Group and Company Statement of Financial Activities, the Group and Company Balance Sheets, the Group and Company Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Groups and the parent charitable company's affairs as of 31 August 2024 and of the Group's 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 Group and parent 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 Groups or parent 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 other information comprises the information included in the Consolidated Annual Report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Consolidated Annual Report. 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.

Independent Auditor's report to the members of Foundation of Light (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the Group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report, or the Strategic Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees
As explained more fully in the Statement of Trustees' responsibilities set out on page 15, 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 Groups and parent 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 Group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's report to the members of Foundation of Light (continued)

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the Group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the Group and parent charitable company operates in and how the Group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

Independent Auditor's report to the members of Foundation of Light (continued)

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011 and the parent charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, evaluating advice received from external advisors and inspecting correspondence and minutes.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety, UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the Group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The Group audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and reviewing transactions around the year-end to consider if the income is recorded in the correct period.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Lucy Robson

LUCY ROBSON (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

Date 07/04/25

Foundation of Light

Company Statement of Financial Activities for the year ended 31 August 2024 (including Income and Expenditure account)

	Note	Unrestricted funds	Restricted funds	Total funds 31 August 2024	Total funds 31 August 2023
		£	£	£	£
Income from:					
Donations and legacies	1a	100,867	45,633	**146,500**	96,511
Charitable activities	1b	904,160	2,210,117	**3,114,277**	2,845,175
Other trading activities	1c	470,913	-	**470,913**	467,480
Investments	1d	48,708	-	**48,708**	37,271
Total Income		**1,524,648**	**2,255,750**	**3,780,398**	3,446,437
Expenditure on:					
Raising funds	2a	254,829	-	**254,829**	339,742
Charitable activities	2b	996,209	2,529,075	**3,525,284**	3,223,580
Total Expenditure		**1,251,038**	**2,529,075**	**3,780,113**	3,563,322
Net (expenditure)/income		**273,610**	**(273,325)**	**285**	(116,885)
Transfers between funds	11	(126,008)	126,008	-	-
Net movement in funds		**147,602**	**(147,317)**	**285**	(116,885)
Total funds brought forward		**1,055,120**	**170,830**	**1,225,950**	1,342,835
Total funds carried forward		**1,202,722**	**23,513**	**1,226,235**	1,225,950

All gains and losses recognised in the year are included in the Statement of Financial Activities.

All income and expenditure are derived from continuing activities.

There is no difference between the net incoming resources shown above and their historical cost equivalents.

Foundation of Light

Company Balance Sheet as at 31 August 2024

	Note	31 August 2024	31 August 2023
		£	£
Fixed assets			
Intangible assets	5	**3,901**	27,179
Property, Plant and Equipment	6	**45,342**	72,296
Investments	7	**2**	2
Total fixed assets		**49,245**	99,477
Current assets			
Debtors	8	**1,791,154**	1,457,905
Cash at bank and in hand		**1,115,805**	1,059,779
Total current assets		**2,906,959**	2,517,684
Creditors: amounts falling due within one year	9	**(741,767)**	(356,260)
Net current assets		**2,165,192**	2,161,424
Total assets less current liabilities		**2,214,437**	2,260,901
Creditors: amounts falling due after more than one year	10	**(988,202)**	(1,034,951)
Net assets		**1,226,235**	1,225,950
The funds of the charity:			
Restricted income funds	11	**23,513**	170,830
Unrestricted income funds			
General funds	11	**1,152,360**	1,004,758
Designated funds	11	**50,362**	50,362
Total unrestricted income funds		**1,202,722**	1,055,120
Total charity funds		**1,226,235**	1,225,950

The financial statements were approved by the Trustees on 29th March 2025 and were signed on their behalf by:

Sir Robert Sydney Murray CBE
Trustee

Foundation of Light

Consolidated Balance Sheet as at 31 August 2024

	Note	31 August 2024	31 August 2023
		£	£
Fixed assets			
Intangible assets	5	**5,999**	34,360
Property, Plant and Equipment	6	**16,465,412**	16,889,442
Total fixed assets		**16,471,411**	16,923,802
Current assets			
Debtors	8	**913,777**	588,146
Cash at bank and in hand		**1,192,609**	1,192,240
Total current assets		**2,106,386**	1,780,386
Creditors: amounts falling due within one year	9	**(989,747)**	(757,484)
Net current assets		**1,116,639**	1,022,902
Total assets less current liabilities		**17,588,050**	17,946,704
Creditors: amounts falling due after more than one year	10	(988,202)	(1,034,951)
Net assets		**16,599,848**	16,911,753
The funds of the group:			
Restricted funds			
Restricted Fixed Asset Funds	11	**16,252,984**	16,646,256
Restricted Income Funds	11	**23,514**	170,831
Total restricted funds		**16,276,498**	16,817,087
Unrestricted funds			
General funds	11	**272,988**	44,304
Designated funds	11	**50,362**	50,362
Total unrestricted funds		**323,350**	94,666
Total group funds		**16,599,848**	16,911,753

The financial statements on pages 20 to 46 were approved by the Trustees on 29th March 2025 and were signed on their behalf by:

Sir Robert Sydney Murray CBE
Trustee

Foundation of Light

Consolidated Statement of Financial Activities for the year ended 31 August 2024 (including Income and Expenditure account)

	Note	Unrestricted funds	Restricted funds	Restricted Fixed Asset funds	Total funds 31 August 2024	Total funds 31 August 2023
		£	£	£	£	£
Income from:						
Donations and legacies	1a	100,867	45,633	(3,000)	**143,500**	98,111
Charitable activities	1b	904,160	2,210,117	-	**3,114,277**	2,845,175
Other trading activities	1c	1,604,136	-	-	**1,604,136**	1,313,200
Investments		48,708	-	-	**48,708**	37,271
Total Income		**2,657,871**	**2,255,750**	**(3,000)**	**4,910,621**	4,293,757
Expenditure on:						
Raising funds	2a	907,688	-	-	**907,688**	785,068
Charitable activities	2b	1,683,213	2,241,353	390,272	**4,314,838**	3,987,097
Total Expenditure		**2,590,901**	**2,241,353**	**390,272**	**5,222,526**	4,772,165
Net (expenditure)/income		**66,970**	**14,397**	**(393,272)**	**(311,905)**	(478,408)
Transfers between funds	11	161,714	(161,714)	-	-	-
Net movement in funds		**228,684**	**(147,317)**	**(393,272)**	**(311,905)**	(478,408)
Total funds brought forward		**94,666**	**170,831**	**16,646,256**	**16,911,753**	17,390,161
Total funds carried forward		**323,350**	**23,514**	**16,252,984**	**16,599,848**	16,911,753

All gains and losses recognised in the year are included in the Statement of Financial Activities.

All income and expenditure are derived from continuing activities.

There is no difference between the net incoming resources shown above and their historical cost equivalents.

Trading EBITDA	***31 August 2024***	***31 August 2023***
	£	***£***
Net expenditure	***(311,905)***	***(478,408)***
Depreciation and amortisation charges	***468,714***	***482,887***
Interest receivable	***(48,708)***	***(37,271)***
Interest payable	***86,954***	***73,097***
Trading EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation and Exceptional Item)	***195,055***	***40,305***

Foundation of Light

Company Cashflow for the year ended 31 August 2024

	For the year ending 31 August 2024	For the year ending 31 August 2023
	£	£
Net cashflows from by operating activities:	**193,918**	249,196
Cashflows from investing activities:		
Purchase of property, plant, equipment and intangible assets	**(10,204)**	(23,658)
Net cash used in investing activities	**(10,204)**	(23,658)
Cashflows from financing activities:		
Loan Repayments	**(40,732)**	(23,699)
Interest paid on borrowings	**(86,954)**	(73,097)
Net cash used in financing activities	**(127,686)**	(96,796)
Change in cash and cash equivalents in the period	**56,028**	128,742
Cash and cash equivalents at the beginning of the period	**1,059,777**	931,035
Cash and cash equivalents at the end of the period	**1,115,805**	1,059,777

Reconciliation of net movement in funds to net cashflows from operating activities:		
Net movement in funds	**285**	(116,886)
Adjustments for:		
Depreciation and amortisation charges	**60,436**	67,560
Interest payable	**86,954**	73,097
(Increase)/decrease in debtors	**(333,249)**	676,514
Increase/(decrease) in creditors	**379,492**	(451,089)
Net cashflows from operating activities	**193,918**	249,196

Foundation of Light

Consolidated Cashflow for the year ended 31 August 2024

	For the year ending 31 August 2024	For the year ending 31 August 2023
	£	£
Net cashflows from by operating activities:	**144,378**	40,659
Cashflows from investing activities:		
Purchase of property, plant, equipment and intangible assets	**(16,323)**	(43,909)
Net cash used in investing activities	**(16,323)**	(43,909)
Cashflows from financing activities:		
Loan Repayments	**(40,732)**	(23,699)
Interest paid on borrowings	**(86,954)**	(73,097)
Net cash used in financing activities	**(127,686)**	(96,796)
Change in cash and cash equivalents in the period	**369**	(100,046)
Cash and cash equivalents at the beginning of the period	**1,192,240**	1,292,286
Cash and cash equivalents at the end of the period	**1,192,609**	1,192,240
Reconciliation of net movement in funds to net cashflows from operating activities:		
Net movement in funds	**(311,905)**	(478,408)
Adjustments for:		
Depreciation and amortisation charges	**468,714**	482,887
Interest payable	**86,954**	73,097
(Increase)/decrease in debtors	**(325,631)**	359,584
Increase/(decrease) in creditors	**226,246**	(396,501)
Exceptional item	**-**	-
Net cashflows from operating activities	**144,378**	40,659

Foundation of Light

Accounting Policies

Foundation of Light is a Private Limited Company by guarantee incorporated in England & Wales.

The Group financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006, applicable accounting standards in the United Kingdom, including the Statement of Recommended Practice: Accounting and Reporting by Charities 2015 (SORP) and the Charities Act 2011. The accounts have been prepared on a going concern basis and the accounting policies have been applied consistently.

The charity is a public benefit entity as defined by FRS 102.

Basis of Consolidation

The Group financial statements consolidate the results of the Charity and its wholly owned subsidiaries, Beacon of Light Limited and Altruism Limited using accounting policies consistently applied across the Group, and after eliminating intra-Group transactions.

Going Concern

The financial statements have been prepared on a going concern basis, notwithstanding that the Group has reported 2024 net expenditure of £311,905 (2023: £478,408) and 2024 net cash inflows of £369 (2023: outflow £100,046). The Group year-end balance sheet for 2024 has net current assets of £1,116,639 (2023: 1,022,902) including cash at bank of £1,192,609 (2023: £1,192,240).

The primary external finance of the Group is the loan due to the Charity Bank which has an outstanding balance of £1,035,569 as of 31 August 2024. Monthly capital and interest repayments commenced February 2023 with the final repayment due January 2038. Interest is charged at 3% above the Bank of England rate. This loan now only has two covenants attached one of which is a cash covenant in comparison to the previous three covenants.

Management have prepared a cash flow forecast for the period ending 31 August 2026 which has been used as their basis of assessing the going concern basis of preparation. The cash flow reflects grant funding that has already been secured as well as including assumptions that renewals of regular funders will take place.

Gift in Kind

Gift in kind is received from Sunderland AFC in the form of products and services given freely and staff time donated. Where they can be quantified, gift in kind is included within the statement of financial activities as both income and expense.

Foundation of Light

Accounting Policies (continued)

Income

Voluntary income including gifts and legacies that provide core funding which are general in nature are recognised when there is entitlement, probability of receipt and the amount can be measured with sufficient reliability.

Investment income is recognised on a receivable basis and arises from an interest-bearing deposit account. The Charity only recognise interest on bonds when it is unconditional, and hence all conditions of the bond have been met, and it has matured.

Income from charitable activities includes income received from grants and contracts. Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability.

Donations are recognised when received unless the receipt is probable, when they are recognised as accrued income. Donations and grants received for specific purposes are classed as restricted and are deferred until the Charity is entitled to the funding and has met the conditions set out in the funding agreement.

Trading income is recognised on an accruals basis as performance obligations are fulfilled.

Beacon of Light capital grant income was funding received by Beacon of Light Limited toward the construction of the Beacon of Light facility. In the consolidated SOFA, capital grants were recognised upon receipt, as required by paragraph 5.27 of the SORP and held in a specific restricted fund for future depreciation charges.

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Expenditure

Expenditure is accounted for on an accruals basis as a liability is incurred and includes irrecoverable VAT as applicable. Contractual arrangements and performance-related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises resulting in the payment being unavoidable.

- Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- Charitable activities include expenditure associated with the delivery of education activities and include both the direct costs and support costs relating to these activities.
- Governance costs include those incurred in the governance of the Charity and its assets and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions and have been allocated based on income.

Foundation of Light

Accounting Policies (continued)

Redundancy and Termination Benefits
Redundancy and termination benefits are accrued by the Charity when there is a constructive obligation to pay them. This is normally via a contractual, legislation or other agreement with employees and their representatives.

Intangible Fixed Assets
The Foundation of Light website and the development of an operational IT system have been classified as intangible fixed assets. Amortisation has been provided on a straight-line basis reflecting the expected useful life of the assets, with a full month's amortisation charge in the month of completion, at a rate of 33% per annum. The assets have been capitalised at cost, comprising all directly attributable costs required to bring them into working condition.

Tangible Fixed Assets
Individual fixed assets costing £500 or more are capitalised at cost. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on a straight-line basis over the estimated useful life of the asset with a full month's depreciation charged in the month of acquisition. Principal rates used are:

Land and Buildings	2-12.5%
Computer Equipment	33%
Fixtures and Fittings	25%
4G pitch	12.5%

The Beacon is classified under Buildings, as the facility is used by the Charity as a functional property to further the charitable objectives of the Charity. The building is depreciated over its anticipated useful economic life.

Any significant additions with a separately identifiable useful life are reviewed separately and depreciated on a component basis where necessary.

Fundraising
Fundraising income and expenditure are accounted for on an accruals basis and are classified as unrestricted unless fundraising is targeted at a specific cause then this would be classed as restricted.

Funds
Restricted funds are funds raised or donated for a specific purpose. All other funds are classified as unrestricted.

Surplus funds held are deposited with Barclays Bank and Nationwide to earn interest prior to utilisation by the Foundation.

There is a designated fund to build a reserve to fund the replacement of fixed assets.

Operating Leases
The Charity classifies the lease of minibuses and photocopying equipment as operating leases. Rental charges are charged on a straight-line basis over the term of the lease.

Finance Leases
Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors.

Foundation of Light

Accounting Policies (continued)

Judgements and Key Sources of Estimation Uncertainty

In the application of the accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount 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 Directors do not consider that there are any significant judgements or estimates included in the financial statements.

Foundation of Light

Notes to the Financial Statements for the year ended 31 August 2024

1 Income

(a) Donations and Legacies - Group

	Unrestricted £	Restricted £	For the year ending 31 August 2024 £	Unrestricted £	Restricted £	For the year ending 31 August 2023 £
Gifts, Donations and Legacies	85,767	-	**85,767**	52,428	-	52,428
Capital Grants	-	(3,000)	**(3,000)**	-	1,600	1,600
Membership, Subscriptions and Sponsorship	15,100	-	**15,100**	3,445	-	3,445
Donated goods and services	-	45,633	**45,633**	10,167	30,471	40,638
	100,867	42,633	**143,500**	66,040	32,071	98,111

(a) Donations and Legacies - Charity

	Unrestricted £	Restricted £	For the year ending 31 August 2024 £	Unrestricted £	Restricted £	For the year ending 31 August 2023 £
Gifts, Donations and Legacies	85,767	-	**85,767**	52,428	-	52,428
Membership, Subscriptions and Sponsorship	15,100	-	**15,100**	3,445	-	3,445
Donated goods and services	-	45,633	**45,633**	10,167	30,471	40,638
	100,867	45,633	**146,500**	66,040	30,471	96,511

Notes to the Financial Statements for the year ended 31 August 2024 (continued)

1 Income (continued)

(b) Income from charitable activities – Group and Charity

By Source of Funding	Unrestricted £	Restricted £	For the year ending 31 August 2024 £	For the year ending 31 August 2023 £
Football coaching sales	664,694	-	**664,694**	478,239
Sale of services as part of the direct charitable activities	193,666	-	**193,666**	179,790
Contractual payments from government or public authorities	42,900	746,136	**789,036**	728,709
Performance related grants where level of income depends on volume of service provided	2,900	1,463,981	**1,466,881**	1,458,437
	904,160	2,210,117	**3,114,277**	2,845,175

In the prior period, income from charitable activities comprised of £658,029 unrestricted funds and restricted income of £2,187,146.

By Charitable Activity	Unrestricted £	Restricted £	For the year ending 31 August 2024 £	For the year ending 31 August 2023 £
Sport and Play	739,452	244,064	**983,516**	755,120
Education	105,875	491,264	**597,139**	462,116
World of Work	878	666,146	**667,024**	480,070
Community	42,940	370,130	**413,070**	705,507
Health	11,104	317,810	**328,914**	307,067
Core	3,911	120,703	**124,614**	135,295
	904,160	2,210,117	**3,114,277**	2,845,175

Notes to the Financial Statements for the year ended 31 August 2024 (continued)

1 Income (continued)

(c) Other trading activities - Group

	Unrestricted £	Restricted £	**For the year ending 31 August 2024 £**	For the year ending 31 August 2023 £
Fundraising events	27,746	-	27,746	176,247
Sponsorships and lottery	84,455	-	84,455	94,116
Letting arrangements for Property	-	-	-	14,117
Trading activity	1,491,935	-	1,491,935	1,028,720
	1,604,136	-	**1,604,136**	1,313,200

In the prior year, income from other trading activities comprised solely of £1,313,200 unrestricted income.

Other trading activities - Charity

	Unrestricted £	Restricted £	**For the year ending 31 August 2024 £**	For the year ending 31 August 2023 £
Fundraising events	27,746	-	27,746	176,247
Sponsorships and lottery	84,455	-	84,455	94,116
Letting arrangements for Property	-	-	-	14,117
Trading activity	358,712	-	358,712	183,000
	470,913	-	**470,913**	467,480

In the prior year, income from other trading activities comprised solely of £467,480 unrestricted income.

(d) Investments – Group and Charity

	Unrestricted £	Restricted £	**For the year ending 31 August 2024 £**	For the year ending 31 August 2023 £
Bank interest received	48,708	-	48,708	37,271

Notes to the Financial Statements for the year ended 31 August 2024 (continued)

2 Expenditure

a) Expenditure on raising funds – Group

	For the year ending 31 August 2024 £	For the year ending 31 August 2023 £
Cost of seeking donations and grants	**144,242**	157,926
Fundraising events	**3,893**	93,945
Sponsorships and lottery	**28,861**	28,102
Membership scheme	**36**	5,413
Other running costs	**694,514**	444,795
Depreciation	**3,177**	20,566
Marketing and publicity	**32,965**	24,154
Matchday tickets and stadium tours	**-**	10,167
	907,688	785,068

In the prior year, expenditure on raising funds comprised solely of £785,068 unrestricted expenditure.

Expenditure on raising funds – Charity

	For the year ending 31 August 2024 £	For the year ending 31 August 2023 £
Cost of seeking donations and grants	**144,242**	157,926
Fundraising events	**3,893**	93,945
Sponsorships and lottery	**28,861**	28,102
Membership scheme	**36**	5,413
Other running costs	**44,832**	20,035
Marketing and publicity	**32,965**	24,154
Matchday tickets and stadium tours	**-**	10,167
	254,829	339,742

In the prior year, expenditure on raising funds comprised solely of £339,742 unrestricted expenditure.

Notes to the Financial Statements for the year ended 31 August 2024 (continued)

2 Expenditure (continued)

b) Expenditure by Charitable Activity - Group

	Sport and Play £	World of Work £	Education £	Community £	Health £	Beacon of Light £	Core £	2024 £	2023 £
Matchday tickets and stadium tours	12,955	12,952	1,600	11,614	6,512	-	-	**45,633**	30,47
Education	527,497	443,063	442,393	430,046	233,374	-	-	**2,076,373**	2,010,80
Depreciation and amortisation	12,087	12,087	12,087	12,087	12,087	390,272	-	**450,707**	468,32
Redundancy Expenses	-	2,641	-	-	-	-	-	**2,641**	4,80
Building[1]	223,621	151,660	135,771	93,919	74,785	-	-	**679,756**	653,13
Support costs (c)	296,285	200,942	179,889	124,438	99,085	-	124,614	**1,025,253**	793,53
Governance (d)	6,895	6,895	6,895	6,895	6,895	-	-	**34,475**	26,02
	1,079,340	**830,240**	**778,635**	**678,999**	**432,738**	**390,272**	**124,614**	**4,314,838**	3,987,09

Expenditure on charitable activities comprised of £1,683,213 unrestricted funds (2023: £1,502,912) and £2,631,625 restricted funds (2023: £2,484,185).

Support costs are staffing and overheads for functions such as Directors, Finance, Admin, IT and HR and are allocated based on income.

Expenditure is allocated between the restricted and unrestricted funds based on the project to which it relates; expenditure relating to the generation of unrestricted income such as the sales of sports and play coaching courses is classified as unrestricted expenditure, while expenditure relating to restricted grant funded programmes is classified as restricted expenditure.

[1] Building costs relate to the staffing and overheads associated with operating the Beacon of Light facility.

Notes to the Financial Statements for the year ended 31 August 2024 (continued)

2 Expenditure (continued)

b) Expenditure by Charitable Activity – Charity

	Sport and Play £	World of Work £	Education £	Community £	Health £	Core £	**2024 £**	2023 £
Matchday tickets and stadium tours	12,955	12,952	1,600	11,614	6,512	-	**45,633**	30,471
Education	623,019	507,846	500,389	470,164	265,319	-	**2,366,737**	2,300,921
Redundancy Expenses	-	2,641	-	-	-	-	**2,641**	4,806
Depreciation and amortisation	12,087	12,087	12,087	12,087	12,087	-	**60,435**	73,560
Support cost (c)	296,285	200,942	179,889	124,438	99,085	124,614	**1,025,253**	793,530
Governance (d)	4,917	4,917	4,917	4,917	4,917	-	**24,585**	20,292
	949,263	**741,385**	**698,882**	**623,220**	**387,920**	**124,614**	**3,525,284**	3,223,580

Expenditure on charitable activities comprised of £996,209 unrestricted funds (2023: £844,046) and £2,529,075 restricted funds (2023: £2,379,534).

c) Expenditure by Support Costs – Group and Charity

	Sport and Play £	World of Work £	Education £	Community £	Health £	Core £	**2024 £**	2023 £
Administration	161,531	110,659	99,206	69,038	55,243	31,154	**526,831**	385,719
Directors	65,545	43,425	38,762	26,480	20,862	31,154	**226,228**	200,881
Finance Dept	31,783	20,945	18,552	12,250	9,370	31,153	**124,053**	127,054
HR Dept	4,251	4,009	3,956	3,816	3,755	-	**19,787**	14,491
IT Dept	33,174	21,904	19,414	12,854	9,855	31,153	**128,354**	65,385
	296,284	**200,942**	**179,890**	**124,438**	**99,085**	**124,614**	**1,025,253**	793,530

Notes to the Financial Statements for the year ended 31 August 2024 (continued)

2 Expenditure (continued)

(d) Governance Costs - Group	For the year ending 31 August 2024 £	For the year ending 31 August 2023 £
Audit Fees	30,400	20,789
VAT Fees	2,827	5,240
Other costs	1,248	-
Total Costs - Group	34,475	26,029

Governance costs are charged as incurred.

Notes to the Financial Statements for the year ended 31 August 2024 (continued)

3 Group Staff Costs

	Year ending 31 August 2024 £	Year ending 31 August 2023 £
Staff costs:		
Wages and salaries	**2,599,759**	2,264,221
Social security costs	**221,524**	199,400
Other pension costs	**89,408**	74,977
Redundancy costs	**2,641**	13,783
	2,913,332	2,552,381

Two employees (2023: two employees) received total employee benefits above £60,000 for the reporting period, one at £60,000 - £70,000 (2023: one), one at £90,000 - £100,000 (2023: none) and none at £100,000 - £110,000 (2023: one). For staff paid over £60,000 pension contributions of £7,555 were made (2023: £7,190). Key Management detailed on page 1 cumulatively received £317,750 in employee benefits in 2024 (2023: £294,498).

The Trustees are not entitled to, and did not receive, any remuneration for their services to the Charity (2023: £nil). During the year total expenses reimbursed to trustees for travel and subsistence, amounted to £nil (2023: £503).

In previous years the Foundation had an Aviva defined contribution pension scheme which was open to all permanent employees after successful completion of their probation period. The Foundation made a standard contribution of 3% of basic salary on behalf of the members, at a cost of £nil (2023: £28,719) in the year. The Foundation has also been required to auto-enrol all eligible employees into a pension scheme since July 2014, as such, all new employees are automatically enrolled into the NEST governmental defined contribution scheme. Employees are required to make a 5% contribution and the Foundation makes a standard contribution of 3%. The cost of the NEST scheme in 2024 was £738 (2023: £25,521). At the year-end £90 (2022: £nil) in payable contributions were outstanding. These pension costs would be allocated as per staff costs based on project/activity allocations. In 2023 the Foundation undertook a pension review which resulted in a new Royal London company pension scheme taking over the existing Aviva scheme. This scheme is open to all permanent employees after successful completion of their probation period. The Foundation made a standard contribution of 3% of basic salary on behalf of the members, at a cost of £88,667 (2023: £20,738) in the year. At the year end £7,536 (2023: £20,738) in payable contributions were outstanding.

The monthly average number of persons employed by the Group and Charity during the year was 150 (2023: 143). The average number of full-time staff members was 67 (2023: 68) and those on part time and casual contracts was 83 (2022: 75). All staff are employed for the furtherance of the Charity's objectives.

Notes to the Financial Statements for the year ended 31 August 2024 (continued)

3 Group Staff Costs (continued)

Staff employed can be further analysed as follows:

	Year ending 31 August 2024	Year ending 31 August 2023
	Number	Number
Delivery Staff	**106**	102
Support and Administration	**16**	13
Beacon of Light Operations	**17**	17
Commercial and Marketing	**8**	8
Directors	**3**	3
	150	143

4 Net outgoing resources before transfers

Net outgoing resources for the Group are stated after charging:

	Year ending 31 August 2024	Year ending 31 August 2023
	£	£
Audit fee	**30,400**	27,350
Depreciation	**440,353**	453,970
Amortisation	**28,361**	28,917
Operating lease costs:		
- plant and machinery	**12,100**	15,951
Bank Interest	**86,954**	73,097
Non-Audit Fees for Tax Compliance services	**4,050**	4,050

£Nil depreciation was charged in the year related to leased assets (2023: £Nil).

Notes to the Financial Statements for the year ended 31 August 2024 (continued)

5 Intangible assets

Charity	Website and data warehouse	Total
	£	£
Cost		
As at 1 September 2023	**71,500**	**71,500**
Additions	-	-
As at 31 August 2024	**71,500**	**71,500**
Accumulated Amortisation		
As at 1 September 2023	**44,321**	**44,321**
Charge for the Period	23,278	23,278
At 31 August 2024	**67,599**	**67,599**
Net book value		
At 31 August 2024	**3,901**	**3,901**
At 31 August 2023	**27,179**	**27,179**

Group	Website and data warehouse	Total
	£	£
Cost		
As at 1 September 2023	**86,750**	**86,750**
Additions	-	-
As at 31 August 2024	**86,750**	**86,750**
Accumulated Amortisation		
As at 1 September 2023	**52,390**	**52,390**
Charge for the Period	28,361	28,361
At 31 August 2024	**80,751**	**80,751**
Net book value		
At 31 August 2024	**5,999**	**5,999**
At 31 August 2023	**34,360**	**34,360**

Notes to the Financial Statements for the year ended 31 August 2024 (continued)

6 Property, Plant and Equipment

Charity	Computer Equipment	Leasehold Buildings	Fixtures and Fittings	Total
	£	£	£	£
Cost				
As at 1 September 2023	**217,307**	**75,706**	**134,210**	**427,223**
Additions	6,507	-	3,697	10,204
As at 31 August 2024	**223,814**	**75,706**	**137,907**	**437,427**
Accumulated Depreciation				
As at 1 September 2023	**166,995**	**75,706**	**112,226**	**354,927**
Charge for the Period	28,777	-	8,381	37,158
At 31 August 2024	**195,772**	**75,706**	**120,607**	**392,085**
Net book value				
At 31 August 2024	**28,042**	**-**	**17,300**	**45,342**
At 31 August 2023	50,312	-	21,984	72,296

Notes to the Financial Statements for the year ended 31 August 2024 (continued)

6 Property, Plant and Equipment (continued)

Group	Computer Equipment	Freehold Buildings	Leasehold Buildings	Fixtures and Fittings	Total
	£	£	£	£	£
Cost					
As at 1 September 2023	**417,760**	**18,720,701**	**75,706**	**428,673**	**19,642,840**
Additions	7,832	-	-	8,491	**16,323**
As at 31 August 2024	**425,592**	**18,720,701**	**75,706**	**437,164**	**19,659,163**
Accumulated Depreciation					
As at 1 September 2023	**367,444**	**1,908,146**	**75,706**	**402,102**	**2,753,398**
Charge for the Period	28,962	381,316	-	30,075	440,353
At 31 August 2024	**396,406**	**2,289,462**	**75,706**	**432,177**	**3,193,751**
Net book value					
At 31 August 2024	**29,186**	**16,431,239**	-	**4,987**	**16,465,412**
At 31 August 2023	50,316	16,812,555	-	26,571	16,889,442

7 Investments

The Foundation has a wholly owned subsidiary, Altruism Limited (previously SAFC Community Limited), a company incorporated in England and Wales registration number 04303983. The purpose of the company is to operate the commercial trading at the Beacon of Light, including sport facility hire, meetings and predominantly events. The income of the subsidiary as at 31 August 2024 was £1,205,954 (2023: £916,806) with expenditure totalling £1,191,263 (2023: £966,999) resulting in a net profit of £14,691 (2023 loss: £50,193). The net liabilities of the subsidiary as of 31 August 2024 were £1,037,224 (2023: net liabilities of £1,051,915).

The Foundation also has a wholly owned trading subsidiary, Beacon of Light Limited registration number 09221229, which was established in September 2014. The purpose of the company was to construct and now to run the Beacon of Light facility. The income of the subsidiary as at 31 August 2024 was £1,134,819 (2023: £1,121,082) with expenditure totalling £1,079,917 (2023: £1,053,628) resulting in a net profit of £54,902 (2023 profit: £67,454). The net liabilities of the subsidiary as of 31 August 2024 were £359,161 (2023: net liabilities of £414,063).

Both subsidiaries share the same registered address as the Foundation of Light; Beacon of Light, Stadium Way, Sunderland, SR5 1SN.

Notes to the Financial Statements for the year ended 31 August 2024 (continued)

8 Debtors

	Charity 31 August 2024 £	Charity 31 August 2023 £	Group 31 August 2024 £	Group 31 August 2023 £
Trade Debtors	**118,081**	81,918	**227,839**	197,787
Amounts due from Group undertakings	**1,067,597**	1,069,281	-	-
Amounts due from Sunderland AFC Ltd	**7,143**	15,506	**19,897**	19,346
Other Debtors	-	-	**12,216**	37,119
Prepayments and accrued income	**598,333**	291,200	**653,825**	333,894
	1,791,154	1,457,905	**913,777**	588,146

Amounts due from Group undertakings includes an intercompany loan of £865,840, of which £170,865 is due in less than one year, and £694,975 is due after more than one year. The loan is due for repayment by June 2029. Interest is charged at 3%. The remaining balance relates to recharges invoiced but not received as at year-end.

9 Creditors: amounts falling due within one year

	Charity 31 August 2024 £	Charity 31 August 2023 £	Group 31 August 2024 £	Group 31 August 2023 £
Trade Creditors	**88,312**	43,813	**154,489**	382,385
Amounts due to Sunderland AFC Ltd	**3,679**	35,985	**5,869**	35,985
Other Creditors	**60,441**	132,201	**83,850**	136,610
Amounts due to Group undertakings	**25,844**	14,890	-	-
Accruals and deferred income	**516,124**	88,021	**698,172**	161,154
Charity Bank Loan	**47,367**	41,350	**47,367**	41,350
	741,767	356,260	**989,747**	757,484

Amounts due to Group undertakings are unsecured, have no interest and are repayable on demand.

Notes to the Financial Statements for the year ended 31 August 2024 (continued)

9 Creditors: amounts falling due within one year (continued)

Deferred income can be further analysed as follows:

	Charity for the year ending 31 August 2024	Charity for the year ending 31 August 2023	**Group for the year ending 31 August 2024**	Group for the year ending 31 August 2023
	£	£	**£**	£
Balance brought forward	**104,552**	357,657	**104,552**	386,131
Recognised in year	**2,659,505**	2,599,853	**3,009,593**	2,796,686
Released in year	**(2,444,734)**	(2,852,958)	**(2,723,679)**	(3,078,265)
Balance carried forward	**319,323**	104,552	**390,466**	104,552

Income is deferred based on the calendar period the activity takes place.

10 Creditors: amounts falling due after more than one year

	Charity 31 August 2024	Charity 31 August 2023	**Group 31 August 2024**	Group 31 August 2023
	£	£	**£**	£
Charity Bank Loan	**988,202**	1,034,951	**988,202**	1,034,951

The primary external finance of the Group is the loan due to the Charity Bank which has an outstanding balance of £1,035,569 as of 31 August 2024. Monthly capital and interest repayments commenced February 2023 with the final repayment due January 2038. Interest is charged at 3% above the Bank of England rate. This loan now only has two covenants attached; a cash covenant and a loan to value covenant in comparison to the previous three covenants. The Charity bank loan is secured by a fixed charge against the Beacon of Light facility.

Notes to the Financial Statements for the year ended 31 August 2024 (continued)

11 Analysis of Net Assets

Charity

Fund balances at 31 August 2024 are represented by:	Unrestricted	Restricted	**Total**
	£	£	**£**
Fixed Assets	-	49,243	**49,243**
Investments	-	2	**2**
Net Current Assets	1,202,722	962,470	**2,165,192**
Creditors: amounts falling due after one year	-	(988,202)	**(988,202)**
Total funds	1,202,722	23,513	**1,226,235**

The funds can be further analysed as follows:

	1 September 2023	Income	Expenditure	Transfers	**31 August 2024**
	£	£	£	£	**£**
General funds	1,004,758	1,524,648	(1,251,038)	(126,008)	**1,152,360**
Designated funds					
Contingency fund	50,362	-	-	-	**50,362**
Total designated funds	50,362	-	-	-	**50,362**
Total unrestricted funds	1,055,120	1,524,648	(1,251,038)	(126,008)	**1,202,722**
Restricted funds:					
Education	-	492,864	(593,212)	100,348	-
World of Work	-	679,098	(679,160)	62	-
Sport and Play	-	257,019	(257,019)	-	-
Community	170,830	381,744	(529,061)	-	**23,513**
Health	-	324,322	(349,920)	25,598	-
Core	-	120,703	(120,703)	-	-
Total restricted funds	170,830	2,255,750	(2,529,075)	126,008	**23,513**
Total funds	1,225,950	3,780,398	(3,780,113)	-	**1,226,235**

Notes to the Financial Statements for the year ended 31 August 2024 (continued)

11 Analysis of net assets (continued)

Group

Fund balances at 31 August 2024 are represented by:	Unrestricted	Restricted	**Total**
	£	£	**£**
Fixed Assets	-	16,471,412	**16,471,412**
Net Current Assets	323,350	793,288	**1,116,638**
Creditors: amounts falling due after 1 year	-	(988,202)	**(988,202)**
Total funds	323,350	16,276,498	**16,599,848**

The funds can be further analysed as follows:

	31 August 2023	Income	Expenditure	Transfers	**31 August 2024**
	£	£	£	£	**£**
General funds	44,304	2,657,871	(2,590,901)	161,714	**272,988**
Designated funds					
Contingency fund	50,362	-	-	-	**50,362**
Total designated funds	50,362	-	-	-	**50,362**
Total unrestricted funds	94,666	2,657,871	(2,590,901)	161,714	**323,350**
Restricted funds:					
Education	-	492,863	(535,216)	42,353	-
World of Work	-	679,098	(617,018)	(62,079)	**1**
Sport and Play	-	257,020	(161,498)	(95,522)	-
Community	170,831	381,744	(488,943)	(40,119)	**23,513**
Health	-	324,322	(317,975)	(6,347)	-
Core	-	120,703	(120,703)	-	-
Beacon of Light	16,646,256	(3,000)	(390,272)	-	**16,252,984**
Total restricted funds	16,817,087	2,252,750	(2,631,625)	(161,714)	**16,276,498**
Total funds	16,911,753	4,910,621	(5,222,526)	-	**16,599,848**

Notes to the Financial Statements for the year ended 31 August 2024 (continued)

11 Analysis of Net Assets (continued)

During the year, transfers were made between unrestricted and restricted funds to cover overspends that had occurred on certain restricted funds. Some restricted funds have been rolled forward between financial years and we have no indication of any claw backs to date. There have also been some transfers between restricted funds, the Sport and Play department are partially funded by restricted grant income from Trusts and Foundations; however, the majority of funding is from unrestricted funds, particularly trading income from the delivery of courses. Community, Core, Health, Education and World of Work projects are mainly funded by grants from Trust and Foundations, corporate funding and Public Sector contracts; the balance is funded from unrestricted funds.

A description of each restricted fund is given below:

Education	Includes Post 16 Football Scholarship and, secondary education projects.
World of Work	Family Learning programmes and employability courses (based in Durham, Sunderland, and South Tyneside).
Sport and Play	Community football teams, the Emerging Talent Centre and in and out of curriculum coaching in Durham, Sunderland, and South Tyneside.
Health	Includes suicide prevention, physical and mental health projects, over 55s and veterans' delivery sessions, and the Coal to Goals project.
Community	Youth Engagement activity.
Beacon of Light	Grant funding received for the construction of the Beacon of Light facility, funding capital expenditure on the project and the depreciation charges on the build.
Core	Digital, including the website and E-Learning platform.
Designated funds	A reserve built to fund the replacement of fixed assets.

Notes to the Financial Statements for the year ended 31 August 2024 (continued)

12 Financial Commitments

Operating lease commitments

At 31 August the Group had total commitments under non-cancellable operating leases, as follows:

	31 August 2024			31 August 2023		
Group	**Land and buildings**	**Other**	**Total**	Land and buildings	Other	Total
	£	£	£	£	£	£
Within one year	-	8,384	8,384	-	4,784	4,784
Between one to five years	-	55,389	55,389	-	7,973	7,973
Total	-	63,773	63,773	-	12,757	12,757

13 Related Party Transactions

During the year, the Foundation of Light provided services to Beacon of Light Limited, namely through the recharge of staffing support and overheads of £575,498 (2023: £351,070) and Altruism Limited of £277,060 (2023: £227,897). In addition, the Beacon of Light Limited also received income from rent, services charges and overheads of £106,052 (2023: £99,733) from the Foundation of Light, £616,886 (2023: £521,673) from Altruism Limited. Altruism Limited received hire income from sporting and meeting facilities from the Foundation of Light of £188,066 (2023: £223,174).

The Foundation received quantifiable gifts in kind from Sunderland AFC Limited of £45,633 (2023: £40,368). Gifts included match tickets for both staff and participants as well as use of certain areas of the Stadium for tours etc. Outstanding balances at the year end owed to the Group from Sunderland AFC Limited total £19,897 (2023: £19,346)

Details of the Foundation's relationship with the Club can be found on page 5 of the Trustees' report.

The Foundation continued to sponsor an Alternative Provision Free School, Beacon of Light School, which received its first intake of pupils in September 2017. Lesley Spuhler OBE (Chief Executive) was a Member of Beacon of Light School until 31st August 2023 and James Wright (Managing Director) is a school governor. Income, being recharges of invoices and services in the year totalled £110,952 (2023: £81,098) with outstanding balances at the year end of £16,433. The School joined the Laidlaw Schools Trust on 1st September 2023.

The Foundation reports donations of £30 from Trustee's in the year (2023: £25,700).

FOUNDATION OF LIGHT

England & Wales - Charity number 1089333

Accounts

Foundation of Light (a Company Limited by Guarantee)
Consolidated Annual Report and Financial Statements
for the year ended 31 August 2023

Registered Charity Number: 1089333

Registered Company Number: 04243171

Foundation of Light

Annual Report and Consolidated Financial Statements for the year ended 31 August 2023

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Foundation of Light

Trustees and Advisers for the year ended 31 August 2023

Trustees
Sir Robert Sydney Murray CBE - Chair of Trustees
Col. The Hon. James David Alexander Ramsbotham CBE, DL - Vice Chair of Trustees
Kathryn Adie CBE, DL
George Clarke
Stephen Cram CBE - Treasurer
Kyril Robert Leonid Louis-Dreyfus
Martin James Hibbert
The Rt Hon. The Baroness Estelle Morris of Yardley, PC
Sir Timothy Miles Bindon Rice
The Rt Hon. The Baroness Tanni Carys Davina Grey-Thompson DBE, DL
Jill Scott (appointed 5th December 2023)

Key Management

Lesley Spuhler OBE DL	Chief Executive
James Wright	Managing Director – Foundation of Light
Ciaron Brunning	Financial Controller
Clare Wilson	Managing Director – Altruism

Registered Office
Beacon of Light
Stadium Park
Sunderland
SR5 1SN

Banker
Barclays Bank PLC
53 Fawcett Street
Sunderland
SR1 1RS

Independent Auditor
RSM UK Audit LLP
Chartered Accountants
1 St. James' Gate
Newcastle upon Tyne
NE1 4AD

Legal Advisor
Ward Hadaway
102 Quayside
Newcastle upon Tyne
NE1 3DX

Foundation of Light

Chairman's Statement

I am pleased to share this year's Annual Report.

Every year since the Foundation's inception in 2001, I take great pride in looking back on what has been achieved. We have grown to become one of the largest and most respected charities in the region, providing much-needed services and resources to both young and old, and supporting vulnerable families and communities in the North East.

Unfortunately, our community continues to rank highly in deprivation in terms of education, skills, unemployment and health, with Sunderland being the 33rd most deprived area in the country. Ten years after the Government's Marmot review (Fair Society, Healthy Lives), we continue to see increasing inequality in the North East. Thirty five percent of our children live in poverty, the highest in the UK, foodbank usage has increased by 128% over the last five years and thousands of households are unable to meet the costs of their essential needs. Life satisfaction in the North East is at its lowest since 2012. Of course, this adversely impacts and perpetuates the levels of poorer health and education outcomes for people in our region.

But our Foundation can and does help. People in the North East are hardworking and proud and don't want handouts, they want a hand up and that's what we are here to do. Last year, the Foundation continued to have an incredible impact; from supporting an unprecedented number of young people and adults on their education and employment journey, to helping budding stars follow their footballing dreams.

The Beacon of Light was designed to be aspirational and inspirational. We welcome thousands of people every week. Our Family Funday in August 2023 saw more than 5,000 people turning up to enjoy our Beacon home; bringing people together is just one of the hopes I had for the building and to see that becoming a reality is fantastic.

We have also seen inspiring projects come to fruition, and the resources and range of programmes we have available continue to provide even more opportunities for people from all backgrounds and generations. But it is not just the projects that have made this year so successful; it is the people behind them. From the dedicated volunteers who give up their time, to the staff who work tirelessly to make them happen.

This alongside the support we receive from our donors, partners and our fundraising endeavours, every little part plays a big role in helping make sure that the Foundation of Light can continue to make a difference in our community, helping people to live happier and healthier lives.

Our financial performance for the year reflects the challenge of adapting to the new world and challenging economic environment but still paints a positive picture, despite the unprecedented trading position that we and many other charities and small businesses find ourselves in, the Group reported a trading EBITDA of £40,305 for the year.

The Group's net assets are £16,911,753 in 2023 of which unrestricted reserves are £94,666 and the Charity reserve funds are £1,225,950 in 2023, of which £1,055,120 are unrestricted, compared to £1,182,256 in 2022 thereby retaining a position ahead of the £750,000 unrestricted policy that we adopted for the charity. Free reserves of the charity are £1,004,758 in 2023 compared to £1,131,894 in 2022.

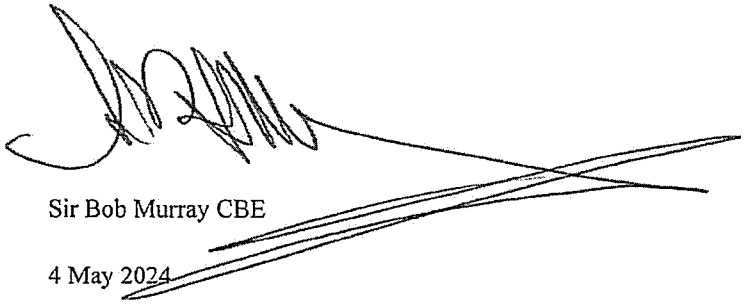
Foundation of Light

Chairman's Statement (continued)

We are proud to have made some significant enhancements in areas of compliance and governance by continuing the Governance Review through a further Trustee Strategy Day and the completion of a Board Effectiveness Review. We also undertook a comprehensive review of the trading company, Altruism. I am also delighted to welcome a wealth and diverse set of new skills and experiences to our Boards and Committees, including outstanding former football professional Jill Scott MBE, a former Foundation participant, as a Trustee. We have also achieved an 'Exemplary' grading in the Premier League Capability Code of Practice, our compliance model that sets standards in functions such as risk management, safeguarding, finance and quality control.

There are new challenges to face locally and globally, but the North East remains a great place to live and grow up. Our people are friendly and passionate, and always happy to help. There is also much transformational regeneration to look forward to, particularly in Sunderland as we see investment in a smart city, the Culture House, project Riverside and the new bridge. Devolution is also just around the corner. All these things don't happen in isolation, partnerships are the key to any success and we are committed to working closely with our partners.

So, with this in mind I would like to thank all our supporters and partners; I would particularly like to thank Sunderland AFC Chairman Kyril Louis-Dreyfus and all the team at Sunderland AFC for their continued commitment and support. And thankyou too for taking an interest in our work: we could not do it without you.



Sir Bob Murray CBE

4 May 2024

Foundation of Light

Trustees' Report for the year ended 31 August 2023

The Trustees are pleased to present their annual report together with the audited financial statements of the Charity and Group for the year ended 31 August 2023. This report includes the information required to satisfy the company law requirements to present a Strategic Report and a Directors' Report.

Structure, Governance and Management

Governing Document

Foundation of Light is a company limited by guarantee, governed by its Memorandum and Articles of Association dated November 2001. The liability of the Trustees for the debts and liabilities of the company is limited, and in the event of the company being wound up, would not exceed £1. It is registered as a charity with the Charity Commission (registered number 1089333), with two subsidiaries - Altruism Limited (registered number 04303983) date of incorporation 12th Oct 2001 which is governed by its Memorandum and Articles dated 12th Oct 2001 and updated on the 24th Oct 2014 and also Beacon of Light (registered number 09221229) date of incorporation 16th Sept 2014 which is governed by its Memorandum and Articles dated 16th Sept 2014.

Governance Review and Board Effectiveness

The Governance Review resulted in a number of improvements including the development of a Governance Manual, with updated terms of references and scheme of delegation. Trustees have undertaken a skills survey and there have been positive changes made to the Finance, Audit and Risk Committee, the introduction of the Programmes Committee, two joint meetings and new members appointed to various Boards. Stakeholder mapping and engagement has taken place and a Board Effectiveness Review is currently underway.

Appointment of Trustees

As set out in the Articles of Association, Trustees are invited to join the Board, however full-time/part time staff members of Foundation of Light are not eligible. From time-to-time nominees may be invited to become friends of the Foundation or honorary members. Sunderland AFC Limited ('the Club') can appoint one Trustee. At the Annual General Meeting one third of Trustees shall resign by rotation and are then eligible to be re-appointed if nominated. Trustees should have the skills and experience needed to lead the Charity and can be reappointed when their full term is completed should the Skills Audit and Board Effectiveness report confirm involvement is still relevant.

Trustee Induction and Training

New Trustees receive an induction pack that includes the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the Charity. Trustees are encouraged to attend appropriate external training events to assist them in the undertaking of their role.

Organisation

The Board of Trustees, which shall include no less than six members and not more than twelve, administers the Charity. The Board meets at least four times a year and there are sub-committees covering Finance, Audit and Risk (comprises four committee members, including three independent members to review the integrity of the financial statements, advise on and oversee risk, and appoint

external audit; where appropriate making recommendations to the Trustees), Nominations and Remuneration, and Programmes Committee which meet more regularly. A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the Charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance, employment, education, skills and sport related activity. Administrative details for the Charity, its Trustees, and advisors, are detailed on page 1.

Related Parties

Although Foundation of Light is structurally and financially independent from Sunderland AFC ("the Club"), the Club supports its own registered Charity in many ways, not least through its gifts in kind such as match day tickets, prime accommodation, and auction prizes. The Foundation continued to sponsor an Alternative Provision Free School, Beacon of Light School, which resides as a tenant of the Beacon of Light facility in Sunderland. The school transferred to The Laidlaw Schools Trust on the 1st September 2023 but remains as a tenant.

Key Management Pay

The pay of all staff including key management is banded in salary grades dependent on their role. Each grade is reviewed regularly and compared to similar roles in the sector. Revisions to pay grades are included in the annual budget setting process and a recommendation is made to Trustees on the level of pay increases to be awarded. The Trustees delegate the approval process to the Nominations and Remunerations Committee who have the final say in the pay awards granted for the year.

Risk Management

The Trustees have a risk management strategy which comprises:

- An annual review of the risks the Group may face;
- The establishment of systems and procedures to mitigate those risks identified in the plan; and
- The implementation of procedures designed to minimise any potential impact on the Charity should those risks materialise.

This work has identified a few major risks which has resulted in improved procedures and contingency plans and has given the impetus for better planning. Particular attention is focused on non-financial risks arising from working with young people such as safeguarding and health and safety. A key element in the management of financial risk is the setting of a regular review through the Finance, Audit and Risk Committee and Executive Team. Changes in both the political and economic climate are identified as major risks in this risk assessment.

Principal Risks and Uncertainties

The Foundation will always face business risks; however, the Trustees have taken steps to mitigate these as far as possible. The Finance, Audit and Risk Committee and the Board of Trustees undertake reviews. The CEO along with the Assistant Director (Compliance) have delegated responsibility for the day-to-day management of risk through business continuity strategies that support a flexible approach to adapting and surviving. Risks identified include:

Trustees' Report for the year ended 31 August 2023 (continued)

Cost of Living Crisis

During this period of high inflation and the cost of everyday essentials rising the current crisis is taking a toll on everyone's finances. The Foundation is likely to experience increased demand especially on health and wellbeing programmes as people struggle to meet the cost of everyday life. Running costs increasing and concerns over income as people have less to give further increase the vulnerability of a decrease in donations and declining government funding.

Public Health Issues

Covid-19, influenza and other public health concerns could further impact our operations and fundraising and the health and safety of staff, volunteers and participants. As a result, financial and physical resource loss and disruption to services and programmes could still occur due to staff absence. Business continuity review and monitoring and operational risk assessments remain high on our risk agenda, all aligned to a risk management system to keep updated with legislation and guidance changes.

Financial Sustainability

The risk of being unable to raise adequate funds to run the Beacon of Light building and turn an operating profit continues, however the 2023 review of the Altruism Trading Company led to a positive move in business focus bringing about a dedicated Altruism and BOL business development team, driving forward growth and development. Improvements are already being seen and with only one outstanding appointment the potential is being recognised. Furthermore, Director appointments to the Group of Companies, the execution of a new business plan and the recruitment of experienced staff and consultants continues to support activities.

Generating income and achieving financial sustainability remains a challenge with income from both local and central government, as well as income from grants and government contracts declining and therefore, increasing financial resilience and closely monitoring income levels continues to be vital going forward.

Compliance

As we face ever more stringent regulatory requirements, it is essential to ensure legal requirements are up to date, and policies and procedures follow best practice. The Foundation has actions plans and strategic frameworks in place for compliance with areas including the charity's governing document, the Charities Act and the Companies Act, UK employment legislation, safeguarding, health and safety, GDPR and other essential laws, such as the law relating to contracts, commercial property and tax; and compliance with the applicable fundraising law.

We have comprehensive policies and procedure manuals in place to protect staff, volunteers and participants; regular checks and balances are conducted, and expert consultants are used where needed. Regular mandatory training and personal development is in place for staff, with Boards and Committee's overseeing the management of compliance and risk.

Protecting and safeguarding service users is one of the key governance priorities of the Foundation of Light and as such we have prioritised developing and embedding safeguarding into every aspect of our governance to protect service users, staff and volunteers. Our safeguarding assurance framework is

quality checked by the Programmes Committee and reported to the Trustees by the Committee Chair, Baroness Estelle Morris.

The Foundation has a Business Continuity Plan should any out-of-control factors impact the business; this continues to be monitored and reviewed to ensure it is fit for purpose.

Human Resources and Key Personnel

In a challenging recruiting environment, it's likely that employee turnover may continue to rise, which means succession planning and employee development is essential. The threat of losing key people with specialist knowledge, skills, history, and expertise continues to be a risk.

The Foundation recognises that a combination of increased workloads, pressure at home, health concerns, and money worries, could lead to burnout in the workplace and further recognises that the delivery of its health and wellbeing programmes and sustainability initiatives could provide valuable information and support to the wider stakeholders. The Foundation continues to offer a diverse programme of health and wellbeing for staff and seek other ways to support staff and volunteers through support, advice, information, and benefits. The Foundation has a Culture Group which advocates on behalf of staff.

The Foundation is providing opportunities for staff to develop as leaders through formalised leadership training to develop various competencies including communication, accountability, collaboration, negotiation, and change management, developed through a combination of traditional and experience-based programmes.

Workforce Diversity

The Foundation continues to develop plans to address issues of equality, diversity and inclusion in the workplace which includes improved people skills, knowledge, and capacity along with equality, diversity and inclusion knowledge, skills, and training. An equality, diversity and inclusion working group is in place.

Achievements and Performance

Headlines

Once again, this last year saw some life changing stories for those accessing our programmes with outcomes including improved confidence, life skills, belonging to the community, and physical health and wellbeing. We are proud to report that our participant demographic was - 5% BAME, 40% female, 27% disability and 1% LBGTQ+ (disclosed).

Our new Impact Framework, that uses a swimming pool analogy of shallow end and deep end to describe how we make a difference to the lives of our participants, now enables us to better demonstrate our outcomes around six key themes such as 'being the best me' and 'having a role in life'.

2022/2023 has seen:

- Almost half a million hours of meaningful engagement with almost 19,000 participants of all ages and backgrounds in addition to the 6,000 attending the Beacon of Light weekly
- 7,000 people feeling more connected to their community

- Over 4,500 young people making safer and healthier choices through our youth intervention programmes
- Over 250 over 55s in a five day offer of weekly social activities to help combat loneliness
- Specialist sport and education provision for over 1,300 people with disabilities
- Over 8,216 improving life and employability skills including 1,087 improving maths and English, 181 achieving qualifications and 88 gaining employment
- Over 10,000 improving physical health and 8,000 mental health
- Working with almost 300 families in family learning courses
- Almost 7,000 young people improving leadership skills
- 71 mental health ambassadors, delivering over 9,000 volunteering hours

This resulted in:

- 77% of participants improving their confidence
- 76% belonging to the community
- 78% life skills
- 80% physical health
- 78% improved mental health

Strategic Overview

We have continued to work not only in the Beacon of Light, but outreach in 166 schools, community centres and playing fields in some of the most deprived communities, delivering programmes in areas of education and skills, health and wellbeing, youth and community, and sport and play.

Every contact will count with three million hours of meaningful engagement over five years

Almost half a million hours have been delivered this year alone and this has included over 1,300 participants with a disability, over 7,500 girls and women, and over 700 socially isolated people.

Young People

Our first Youth Voice was launched in January and has been recognised by the Premier League for their work which is something we're very proud of. We have 10 members who meet twice a month as well as engaging in special projects on an ongoing basis.

We have worked very closely with the Local Authorities to introduce opportunities for young people from low-income families to access holiday camps during half term breaks. Using the Holiday Activities Fund model, we have supported over 50 individuals, many of which have attended multiple courses, which includes a hot meal, important with the cost-of-living crisis.

Our one-to-one mentoring, a partnership with the Violence Reduction Unit (VRU) and secondary schools has enabled us to offer specialist, tailored support to young people who need it most. Over the course of the year, we supported over 4,000 young people in youth engagement activities.

Health and Wellbeing

Ensuring the participants, we work with feel connected to our community is one of the core outcomes we hope to achieve through our programmes. We have supported over 7,000 individuals to feel more connected to their community.

The great work we started during the pandemic around ensuring our participants don't become socially isolated has continued to thrive through initiatives like the Wear Together programme offering over 55's the opportunity to access five-day per week provision at the Beacon of Light.

Behaviour change is an important goal for us, and 6,907 participants improved their healthy lifestyles activities, making better personal choices.

Education and Skills

Through the work of the Skills and Employability team, we have supported 1,304 participants to improve their job skills, 631 their understanding and awareness of the job market with 88 learners securing employment as a direct result of our intervention.

Supporting our learners to improve their maths and English, across several programmes, including Family Learning, Study Programme and Post 16 Football Scholarship, is an essential part of our projects and through a variety of approaches, including functional skills, GCSE and Multiply, we have supported 1,087 learners to improve these skills and receive accreditation.

Vibrant and Sustainable Beacon of Light

Footfall continues to increase post pandemic and the Beacon of Light has welcomed not only thousands of participants but also event attenders, Club supporters in the SAFC Fan Zones, and exhibitors.

Customers

Successful events included over 900 attendees at the Northeast Automotive Exhibition; almost 1,000 at the Red Sky Ball; a Gentoo staff conference for over 1,000 people; and an international gymnastics competition, to name a few.

Customer satisfaction surveys have given testimony to the quality of what we do with 92% willing to recommend us to a friend and through our work with MMC Research, positive perception and greater awareness has increased to 84%. Customer retention is at a significant 80%.

New partnerships have been forged with the University of Sunderland to offer a sports-hub for their students and a further with Together for Children offering a health and wellbeing intervention for primary aged children who may be struggling at school.

Diversity

Ensuring the Foundation of Light is accessible and open to all is essential. Through the data we can collate, we have calculated that 5% of our participants are BAME, 40% of our participants are female, 27% have a disability and 1% identify as LGBTQ+.

Through sponsorship with Paragon, we have been able to introduce a Sensory Room at the Beacon of Light. The safe space provides multi-sensory resources to help those who visit it to self-regulate and refocus.

We have a new relationship with Mears Housing Group who are commissioned on behalf of the Government to house Asylum Seekers in their accommodation around the city. A pilot that consisted

of physical activity and cooking lessons to help participants build local relationships was a success, and we are planning further work next year.

Best in our field

Fundraising

Nearly £3.4 million was raised from valued partners and supporters including grants from all three Local Authorities; Sunderland City Council, South Tyneside Council, Durham County Council, trusts and foundations, gifts from individuals and overall fundraising.

Partnerships

We retained 98% of our donors and were delighted to continue our partnerships with the Harrison Centre for Social Mobility, the McArdle family, Sir Tom Cowie Trust, Roseline Foundation, Caterpillar Foundation and the Violence Reduction Unit. Whilst exciting new relationships were entered into both local Community Foundations, Paragon, Staffpower and Hellens Group.

The Club relationship strengthened with several joint initiatives including a joined-up approach to women and girls' football, a digital inclusion project and a data sharing agreement.

We have worked alongside over 80 businesses in our community to provide opportunities such as real-life learning, access to apprenticeships and employment, workshops and work experience for participants.

Campaigning

This year the Foundation supported a variety of campaigns including Rainbow Laces; World Suicide Prevention Day; World Mental Health Day; LGBTQ+ History Month; Black History Month; World Book Day and International Women's Day. Fundraising campaigns have included Small Change, Big Difference, raising over £60,000 from supporters for cost-of-living projects; we are careful to monitor such campaigns, and ensure that the public, including vulnerable people, are protected through our fundraising standards.

People

Steps continue to improve customers' online experience via two mobile responsive websites, new online booking platform, regular newsletter and increased social media content.

90% of our employees feel proud to work for us and 100% of leavers say they would work for the Foundation again.

Investment Procedures and Policy

At the present time, the reserves of Foundation of Light are held on interest bearing cash deposits in order to meet on-going liquidity requirements. The Trustees have powers to invest the funds as they see fit, as set out in the Memorandum and Articles of Association.

Trustees' Report for the year ended 31 August 2023 (continued)

Reserves Policy

The total annual running costs of Foundation of Light (Group), assuming current programmes continue, are expected to be £5.3 million (excluding Gift in Kind). A substantial proportion of the running costs will be met by future grants and contracts which are expected to be received, subject to certain conditions of performance in addition to fundraising activities. The aim is to sustain unrestricted reserves of the Charity at a minimum level of £750k. A robust business plan has been put in place for both the Foundation and the trading company. Charity unrestricted reserves as of 31 August 2023 are £1 million retaining a position ahead of target. Free reserves of the charity are £1,004,758 in 2023 compared to £1,131,894 in 2022. As at the 31 August 2023 the Group unrestricted reserves are £94k.

Plans for Future Years

Our history, tradition and culture provide an important platform to future development and the continuation of current strategic priorities in physical and mental health, first steps employability training and young people.

Over the forthcoming year we look forward to:

Delivery

Through an outcome driven relationship with Sunderland College, we will introduce an innovative new initiative aimed at reducing the number of young people not in education, employment or training across the city. Using a triage approach, we aim to retain students who are on the verge of dropping out of college, for a variety of reasons and through a mentoring approach, work with the individuals to keep them in education with the aim of reintroducing them to college life when they are ready.

Working with Together for Children and several of our partner schools, we will formally launch the new Primary Intervention programme aimed at children who are presenting low or medium level ongoing behavioural, emotional and social difficulties which are mild and moderate to support them with coping strategies when back in mainstream.

With new funding from UKSPF we will deliver one-to-one relational mentoring using our employer and business network to help move those most economically inactive closer to employment. Using the attraction of Sunderland AFC to engage those who otherwise may not engage in activity we will deliver one to one engagement and small group work in the Beacon's World of Work Zone, including Automotive, Digital, Hospitality, and Health and Social Care.

There will be increased work in South Tyneside and County Durham as discussions with the Local Authorities, the University and colleges progress. With the appointment of an Outreach Manager, we will look to grow programmes focussed on employability, health and young people.

Value for money is important to us, so we will be introducing a reporting method which will enable us to effectively evaluate the effectiveness and efficiency of each programme. This will include achieving the best value inputs, maximising the outputs, ensuring that those outputs deliver the desired outcome and ensuring resources are distributed fairly.

This process of impact reporting will help to gain valuable insights, allowing for data-driven decision making and providing greater control over the direction of each programme.

Trustees' Report for the year ended 31 August 2023 (continued)

Collaborations and Customers

Being successful in our application to the Fan's Fund will help us work closer with the Club and supporters groups to deliver a wide range of matchday activations over the course of the year, ensuring the matchday experience for underrepresented groups, such as disabled, LGBTQ+ and Ethnic Minority groups, is a positive one and that the connection to the community is strengthened.

The relationship with the University of Sunderland will widen, signing a Strategic Agreement to work collaboratively in the coming years. While the Beacon of Light will become an extension of the University campus, hosting weekly sporting sessions for the various university sports groups, we welcome the possibility of becoming a hub for international students and their families.

Wearside Women in Need will host their domestic violence charity from the home of the Foundation for the next three years. We will be working closely with the team at WWIN to develop pathways for Foundation of Light participants to access the provision if appropriate and there will be cross training opportunities for staff in both organisations.

This year will see the expansion of the City Centre to include Stadium Park. We are excited about the extended opportunities that may bring for partnership working, marketing, the environment and increased footfall around the Beacon.

Following a customer survey issued in the summer, 99% of Beacon of Light visitors found the Beacon was welcoming, with 80% very satisfied or satisfied with customer service they had received. There were 90% of respondents who would probably or definitely recommend the Beacon to friends and family. 50% of those who took the survey, associated the Beacon with the Foundation of Light, while 43% associate it with Sunderland AFC. Compared to other venues in the city, the Beacon was regarded as very prominent by 75% of respondents.

Plans are being made to bring the Beacon café in-house which will prove to be an additional income stream but more importantly provide an offer and atmosphere appropriate to our clientele.

The Foundation's 'Heart on your Sleeve' campaign will be the focus for community fundraising throughout the year. Key messages are built around Northeast football fans being notorious for their passion and the campaign will channel that energy to help make a difference to lives across Wearside. The Heart on Your Sleeve campaign will aim to tackle these issues, encouraging parents and grandparents to stay both physically and mentally active to inspire the next generation to do the same, giving families the opportunity to access sports and fitness, and mental health resources and sessions.

We will be seeking partners to support a re-development of the front of the Beacon, creating a new experiential space for the local community to exercise, play, learn and develop.

Compliance/Behind the Scenes

As we did last year with policies, we will be streamlining the number of risks, introduce movement markers to show changes in risk, and have standardised action types influenced by inherent risk score. This will provide greater comfort to Trustees and stakeholders.

Submissions for Carbon Footprint and Green Club Accreditation will progress and a range of environmental sustainability initiatives for staff and participants will be rolled out.

EDI is an important area for development. This year we will prioritise a coherent and authentic action plan and consider and continue to raise the awareness and understanding of the Executive, Programmes Committee and Trustees.

The Volunteer Strategy will come to fruition, and we will undertake the Volunteering Kite Mark.

Quality control will see an independent deep dive into our health and wellbeing programmes. Areas focussed on will include assessing appropriateness, resources, needs led priorities, funding and identifying areas of growth and impact.

Next year will see us commence planning for beyond five years that will also involve a stakeholder consultation.

Results for the Year

The Group results for the year ended 31 August 2023 show net expenditure of £478,408 against net expenditure of £543,508 for the previous year.

Whilst the depreciation charge of £381,315 for the Beacon is included in the Group accounts, the annual release of capital grants received to support the building of the Beacon of £381,315 in 2023 and £410,834 in 2022 is excluded on consolidation as it was recognised in full on receipt, in line with accounting standards and is denoted by the restricted fixed asset fund, against which the annual depreciation is charged.

The Group again produced a positive trading EBITDA (Earnings before interest, tax, depreciation and amortisation), of £40,305 compared to £200,879 in 2022.

Income for the year was £4,293,757 (2022: £4,385,917) reflecting reductions in donations and charitable activities but increases in income linked to other trading activities. The Group expenditure reduced to £4,772,165 (2022: £4,929,425) as expected against the lower income reported and also reflecting cost saving exercises.

The reserves of the Group remain strong with funds carried forward of £16,911,753 (2022: £17,390,161) of which unrestricted funds represent £94,666 (2022: £190,164). The reserves for the Charity also remain strong in 2023 at a level of £1,225,950 (2022; £1,342,835) of which £1,055,120 (2022: £1,182,256) are unrestricted and exceeding the minimum target of £750,000 set out in the reserves policy.

The Group's cash generated from operating activities was £40,659 cash inflow (2022: £131,255 outflow), £43,909 was invested on new assets ranging from pitch maintenance equipment to impressive gaming screens for the introduction of new courses. After interest on loans of £73,097 and the recommencement of capital loan repayments of £23,699, the Group's cash and cash equivalents reduced by £100,046 over the year to £1,192,240, still maintaining a healthy financial position to carry forward into 2024.

Going Concern

The financial statements have been prepared on a going concern basis, notwithstanding that the Group has reported 2023 net expenditure of £478,408 (2022: £543,508) and 2023 net cash outflows of £100,044 (2022: £313,253). The Group year-end balance sheet for 2023 has net current assets of £1,022,902 (2022: net current assets of £1,101,783) including cash at bank of £1,192,240 (2022: £1,292,286).

The primary external finance of the Group is the loan due to the Charity Bank which has an outstanding balance of £1,076,301 as of 31 August 2023. Monthly capital and interest repayments commenced February 2023 with the final repayment due January 2038. Interest is charged at 3% above the Bank of England rate. This loan now only has one covenant attached which is a cash covenant in comparison to the previous three covenants.

Management have prepared a cash flow forecast for the period ending 31 May 2025 which has been used as their basis of assessing the going concern basis of preparation. The cash flow reflects grant

Trustees' Report for the year ended 31 August 2023 (continued)

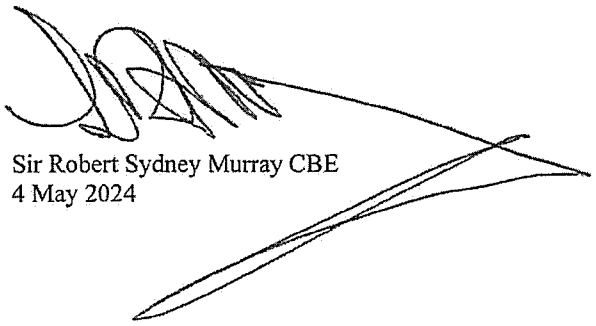
funding that has already been secured as well as including assumptions that renewals of regular funders will take place.

The Trustees are confident that the company and Group will have sufficient funds to continue to meet its liabilities as they fall due and for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

RSM UK Audit LLP were appointed as auditor to the company and a resolution proposing that they be re- appointed will be put at a General Meeting.

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

On behalf of the Trustees



Sir Robert Sydney Murray CBE
4 May 2024

Foundation of Light

Statement of Responsibilities of the Trustees of Foundation of Light in respect of the Trustees' Annual Report and the Financial Statements

The Trustees, who are also the Directors of Foundation of Light for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the charitable Group 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Foundation of Light

Independent auditor's report to the members of Foundation of Light

Opinion

We have audited the financial statements of Foundation of Light (the 'parent charitable company') and its subsidiaries (the 'Group') for the year ended 31 August 2023 which comprise the Group and Company Statement of Financial Activities, the Group and Company Balance Sheets, the Group and Company Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Groups and the parent charitable company's affairs as of 31 August 2023 and of the Group's 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 Group and parent 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 Groups or parent 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 other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Trustees' Report. 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.

Independent auditor's report to the members of Foundation of Light (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the Group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report, or the Strategic Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees
As explained more fully in the Statement of Trustees' responsibilities set out on page 15, 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 Groups and parent 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 Group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of Foundation of Light (continued)

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the Group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the Group and parent charitable company operates in and how the Group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

Independent auditor's report to the members of Foundation of Light (continued)

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011 and the parent charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, evaluating advice received from external advisors and inspecting correspondence and minutes.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety, UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the Group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The Group audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and reviewing transactions around the year-end to consider if the income is recorded in the correct period.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

LUCY ROBSON (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

Date 14/05/24

Foundation of Light

Company Statement of Financial Activities for the year ended 31 August 2023 (including Income and Expenditure account)

	Note	Unrestricted funds	Restricted funds	Total funds 31 August 2023	Total funds 31 August 2022
		£	£	£	£
Income from:					
Donations and legacies	1a	66,040	30,471	**96,511**	233,828
Charitable activities	1b	658,029	2,187,146	**2,845,175**	2,998,984
Other trading activities	1c	467,480	-	**467,480**	405,149
Investments	1d	37,271	-	**37,271**	-
Total Income		**1,228,820**	**2,217,617**	**3,446,437**	3,637,961
Expenditure on:					
Raising funds	2a	339,742	-	**339,742**	379,145
Charitable activities	2b	844,046	2,379,534	**3,223,580**	3,153,889
Exceptional item	2e	-	-	-	102,301
Total Expenditure		**1,183,788**	**2,379,534**	**3,563,322**	3,635,335
Net (expenditure)/income		**45,032**	**(161,917)**	**(116,885)**	2,626
Transfers between funds	11	(172,168)	172,168	-	-
Net movement in funds		**(127,136)**	**10,251**	**(116,885)**	2,626
Total funds brought forward		**1,182,256**	**160,579**	**1,342,835**	1,340,209
Total funds carried forward		**1,055,120**	**170,830**	**1,225,950**	1,342,835

All gains and losses recognised in the year are included in the Statement of Financial Activities.

All income and expenditure are derived from continuing activities.

There is no difference between the net incoming resources shown above and their historical cost equivalents.

Foundation of Light

Company Balance Sheet as at 31 August 2023

	Note	31 August 2023	31 August 2022
		£	£
Fixed assets			
Intangible assets	5	**27,179**	51,013
Property, Plant and Equipment	6	**72,296**	92,364
Investments	7	**2**	2
Total fixed assets		**99,477**	143,379
Current assets			
Debtors	8	**1,457,905**	2,134,419
Cash at bank and in hand		**1,059,779**	931,035
Total current assets		**2,517,684**	3,065,454
Creditors: amounts falling due within one year	9	**(356,260)**	(791,598)
Net current assets		**2,161,424**	2,273,856
Total assets less current liabilities		**2,260,901**	2,417,235
Creditors: amounts falling due after more than one year	10	**(1,034,951)**	(1,074,400)
Net assets		**1,225,950**	1,342,835
The funds of the charity:			
Restricted income funds	11	**170,830**	160,579
Unrestricted income funds			
General funds	11	**1,004,758**	1,131,894
Designated funds	11	**50,362**	50,362
Total unrestricted income funds		**1,055,120**	1,182,256
Total charity funds		**1,225,950**	1,342,835

The financial statements were approved by the Trustees on 4 May 2024 and were signed on their behalf by:

Sir Robert Sydney Murray CBE
Trustee

Foundation of Light

Consolidated Statement of Financial Activities for the year ended 31 August 2023 (including Income and Expenditure account)

	Note	Unrestricted funds	Restricted funds	Restricted Fixed Asset funds	Total funds 31 August 2023	Total funds 31 August 2022
		£	£	£	£	£
Income from:						
Donations and legacies	1a	66,040	30,471	1,600	**98,111**	283,827
Charitable activities	1b	658,029	2,187,146	-	**2,845,175**	2,998,984
Other trading activities	1c	1,313,200	-	-	**1,313,200**	1,103,106
Investments		37,271	-	-	**37,271**	-
Total Income		**2,074,540**	**2,217,617**	**1,600**	**4,293,757**	4,385,917
Expenditure on:						
Raising funds	2a	785,068	-	-	**785,068**	809,670
Charitable activities	2b	1,502,912	2,089,423	394,762	**3,987,097**	3,939,850
Exceptional item	2e	-	-	-	-	179,905
Total Expenditure		**2,287,980**	**2,089,423**	**394,762**	**4,772,165**	4,929,425
Net (expenditure)/income		**(213,440)**	**128,194**	**(393,162)**	**(478,408)**	(543,508)
Transfers between funds	11	117,942	(117,942)	-	-	-
Net movement in funds		**(95,498)**	**10,252**	**(393,162)**	**(478,408)**	(543,508)
Total funds brought forward		**190,164**	**160,579**	**17,039,418**	**17,390,161**	17,933,669
Total funds carried forward		**94,666**	**170,831**	**16,646,256**	**16,911,753**	17,390,161

All gains and losses recognised in the year are included in the Statement of Financial Activities.

All income and expenditure are derived from continuing activities.

There is no difference between the net incoming resources shown above and their historical cost equivalents.

Trading EBITDA	*31 August 2023*	*31 August 2022*
	£	*£*
Net expenditure	*(478,408)*	*(543,508)*
Exceptional item	*-*	*179,905*
Depreciation and amortisation charges	*482,887*	*525,459*
Interest receivable	*(37,271)*	
Interest payable	*73,097*	*39,023*
Trading EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation and Exceptional Item)	*40,305*	*200,879*

Foundation of Light

Consolidated Balance Sheet as at 31 August 2023

	Note	31 August 2023	31 August 2022
		£	£
Fixed assets			
Intangible assets	5	**34,360**	63,277
Property, Plant and Equipment	6	**16,889,442**	17,299,501
Total fixed assets		**16,923,802**	17,362,778
Current assets			
Debtors	8	**588,146**	947,730
Cash at bank and in hand		**1,192,240**	1,292,286
Total current assets		**1,780,386**	2,240,016
Creditors: amounts falling due within one year	9	**(757,484)**	(1,138,233)
Net current assets		**1,022,902**	1,101,783
Total assets less current liabilities		**17,946,704**	18,464,561
Creditors: amounts falling due after more than one year	10	(1,034,951)	(1,074,400)
Net assets		**16,911,753**	17,390,161
The funds of the group:			
Restricted funds			
Restricted Fixed Asset Funds	11	**16,646,256**	17,039,418
Restricted Income Funds	11	**170,831**	160,579
Total restricted funds		**16,817,087**	17,199,997
Unrestricted funds			
General funds	11	**44,304**	139,802
Designated funds	11	**50,362**	50,362
Total unrestricted funds		**94,666**	190,164
Total group funds		**16,911,753**	17,390,161

The financial statements on pages 16 to 43 were approved by the Trustees on 4 May 2024 and were signed on their behalf by:

Sir Robert Sydney Murray CBE
Trustee

Foundation of Light

Company Cashflow for the year ended 31 August 2023

	For the year ending 31 August 2023	For the year ending 31 August 2022
	£	£
Net cashflows from by operating activities:	**249,196**	(183,498)
Cashflows from investing activities:		
Purchase of property, plant, equipment and intangible assets	**(23,658)**	(122,411)
Net cash used in investing activities	**(23,658)**	(122,411)
Cashflows from financing activities:		
Loan Repayments	**(23,699)**	-
Interest paid on borrowings	**(73,097)**	(39,023)
Net cash used in financing activities	**(96,796)**	(39,023)
Change in cash and cash equivalents in the period	**128,742**	(344,932)
Cash and cash equivalents at the beginning of the period	**931,035**	1,275,967
Cash and cash equivalents at the end of the period	**1,059,777**	931,035

Reconciliation of net movement in funds to net cashflows from operating activities:		
Net movement in funds	**(116,886)**	2,626
Adjustments for:		
Depreciation and amortisation charges	**67,560**	62,876
Interest payable	**73,097**	39,023
(Increase)/decrease in debtors	**676,514**	(269,378)
(Decrease)/increase in creditors	**(451,089)**	(120,946)
Exceptional item	**-**	102,301
Net cashflows from operating activities	**249,196**	(183,498)

Foundation of Light

Consolidated Cashflow for the year ended 31 August 2023

	For the year ending 31 August 2023	For the year ending 31 August 2022
	£	£
Net cashflows from by operating activities:	**40,659**	(131,255)
Cashflows from investing activities:		
Purchase of property, plant, equipment and intangible assets	**(43,909)**	(142,975)
Net cash used in investing activities	**(43,909)**	(142,975)
Cashflows from financing activities:		
Loan Repayments	**(23,699)**	-
Interest paid on borrowings	**(73,097)**	(39,023)
Net cash used in financing activities	**(96,796)**	(39,023)
Change in cash and cash equivalents in the period	**(100,046)**	(313,253)
Cash and cash equivalents at the beginning of the period	**1,292,286**	1,605,539
Cash and cash equivalents at the end of the period	**1,192,240**	1,292,286
Reconciliation of net movement in funds to net cashflows from operating activities:		
Net movement in funds	**(478,408)**	(543,508)
Adjustments for:		
Depreciation and amortisation charges	**482,887**	525,460
Interest payable	**73,097**	39,023
(Increase)/decrease in debtors	**359,584**	(495,378)
Increase/(decrease) in creditors	**(396,501)**	163,243
Exceptional item	**-**	179,905
Net cashflows from operating activities	**40,659**	(131,255)

Foundation of Light

Accounting Policies

Foundation of Light is a Private Limited Company by guarantee incorporated in England & Wales.

The Group financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006, applicable accounting standards in the United Kingdom, including the Statement of Recommended Practice: Accounting and Reporting by Charities 2015 (SORP) and the Charities Act 2011. The accounts have been prepared on a going concern basis and the accounting policies have been applied consistently.

The charity is a public benefit entity as defined by FRS 102.

Basis of Consolidation

The Group financial statements consolidate the results of the Charity and its wholly owned subsidiaries, Beacon of Light Limited and Altruism Limited using accounting policies consistently applied across the Group, and after eliminating intra-Group transactions.

Going Concern

The financial statements have been prepared on a going concern basis, notwithstanding that the Group has reported 2023 net expenditure of £478,408 (2022: £543,508) and 2023 net cash outflows of £100,044 (2022: £313,253). The Group year-end balance sheet for 2023 has net current assets of £1,022,902 (2022: net current assets of £1,101,783) including cash at bank of £1,192,240 (2022: £1,292,286).

The primary external finance of the Group is the loan due to the Charity Bank which has an outstanding balance of £1,075,813 as of 31 August 2023. Monthly capital and interest repayments commenced February 2023 with the final repayment due January 2038. Interest is charged at 3% above the Bank of England rate. This loan now only has one covenant attached which is a cash covenant in comparison to the previous three covenants

Management have prepared a cash flow forecast for the period ending 31 May 2025 which has been used as their basis of assessing the going concern basis of preparation. The cash flow reflects grant funding that has already been secured as well as including assumptions that renewals of regular funders will take place.

Gift in Kind

Gift in kind is received from Sunderland AFC in the form of products and services given freely and staff time donated. Where they can be quantified, gift in kind is included within the statement of financial activities as both income and expense.

Foundation of Light

Accounting Policies (continued)

Income

Voluntary income including gifts and legacies that provide core funding which are general in nature are recognised when there is entitlement, probability of receipt and the amount can be measured with sufficient reliability.

Investment income is recognised on a receivable basis and arises from an interest-bearing deposit account. The Charity only recognise interest on bonds when it is unconditional, and hence all conditions of the bond have been met, and it has matured.

Income from charitable activities includes income received from grants and contracts. Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability.

Donations are recognised when received unless the receipt is probable, when they are recognised as accrued income. Donations and grants received for specific purposes are classed as restricted and are deferred until the Charity is entitled to the funding and has met the conditions set out in the funding agreement.

Trading income is recognised on an accruals basis as performance obligations are fulfilled.

Beacon of Light capital grant income was funding received by Beacon of Light Limited toward the construction of the Beacon of Light facility. In the consolidated SOFA, capital grants were recognised upon receipt, as required by paragraph 5.27 of the SORP and held in a specific restricted fund for future depreciation charges.

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Expenditure

Expenditure is accounted for on an accruals basis as a liability is incurred and includes irrecoverable VAT as applicable. Contractual arrangements and performance-related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises resulting in the payment being unavoidable.

- Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- Charitable activities include expenditure associated with the delivery of education activities and include both the direct costs and support costs relating to these activities.
- Governance costs include those incurred in the governance of the Charity and its assets and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions and have been allocated based on income.

Foundation of Light

Accounting Policies (continued)

Redundancy and Termination Benefits
Redundancy and termination benefits are accrued by the Charity when there is a constructive obligation to pay them. This is normally via a contractual, legislation or other agreement with employees and their representatives.

Intangible Fixed Assets
The Foundation of Light website and the development of an operational IT system have been classified as intangible fixed assets. Amortisation has been provided on a straight-line basis reflecting the expected useful life of the assets, with a full month's amortisation charge in the month of completion, at a rate of 33% per annum. The assets have been capitalised at cost, comprising all directly attributable costs required to bring them into working condition.

Tangible Fixed Assets
Individual fixed assets costing £500 or more are capitalised at cost. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on a straight-line basis over the estimated useful life of the asset with a full month's depreciation charged in the month of acquisition. Principal rates used are:

Land and Buildings	2%
Computer Equipment	33%
Buildings	2% - 10%
Fixtures and Fittings	25%

The Beacon is classified under Buildings, as the facility is used by the Charity as a functional property to further the charitable objectives of the Charity. The building will be depreciated over its anticipated useful economic life.

Fundraising
Fundraising income and expenditure are accounted for on an accruals basis and is classified as unrestricted unless fundraising is targeted at a specific cause then this would be classed as

Funds
Restricted funds are funds raised or donated for a specific purpose. All other funds are classified as unrestricted.

Surplus funds held are deposited with Barclays Bank and Nationwide to earn interest prior to utilisation by the Foundation.

There is a designated fund to build a reserve to fund the replacement of fixed assets.

Operating Leases
The Charity classifies the lease of minibuses and photocopying equipment as operating leases. Rental charges are charged on a straight-line basis over the term of the lease.

Finance Leases
Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors.

Foundation of Light

Accounting Policies (continued)

Judgements and Key Sources of Estimation Uncertainty

In the application of the accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount 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 Directors do not consider that there are any significant judgements or estimates included in the financial statements.

Foundation of Light

Notes to the Financial Statements for the year ended 31 August 2023

1 Group Income

(a) Donations and Legacies - Group

	Unrestricted £	Restricted £	For the year ending 31 August 2023 £	Unrestricted £	Restricted £	For the year ending 31 August 2022 £
Gifts, Donations and Legacies	52,428	-	**52,428**	103,107	-	103,107
Capital Grants	-	1,600	**1,600**	-	49,999	49,999
Membership, Subscriptions and Sponsorship	3,445	-	**3,445**	10,373	-	10,373
Donated goods and services	10,167	30,471	**40,638**	86,644	33,704	120,348
	66,040	32,071	**98,111**	200,124	83,703	283,827

(a) Donations and Legacies - Charity

	Unrestricted £	Restricted £	For the year ending 31 August 2023 £	Unrestricted £	Restricted £	For the year ending 31 August 2022 £
Gifts, Donations and Legacies	52,428	-	**52,428**	103,107	-	103,107
Membership, Subscriptions and Sponsorship	3,445	-	**3,445**	10,373	-	10,373
Donated goods and services	10,167	30,471	**40,638**	86,644	33,704	120,348
	66,040	30,471	**96,511**	200,124	33,704	233,828

Notes to the Financial Statements for the year ended 31 August 2023 (continued)

(b) Income from charitable activities – Group and Charity

By Source of Funding	Unrestricted £	Restricted £	For the year ending 31 August 2023 £	For the year ending 31 August 2022 £
Football coaching sales	478,239	-	**478,239**	368,180
Sale of services as part of the direct charitable activities	179,790	-	**179,790**	135,495
Contractual payments from government or public authorities	-	728,709	**728,709**	1,034,176
Performance related grants where level of income depends on volume of service provided	-	1,458,437	**1,458,437**	1,461,133
	658,029	2,187,146	**2,845,175**	2,998,984

In the prior period, income from charitable activities comprised of £728,135 unrestricted funds and restricted income of £2,270,849.

By Charitable Activity	Unrestricted £	Restricted £	For the year ending 31 August 2023 £	For the year ending 31 August 2022 £
Sport and Play	544,610	210,510	**755,120**	624,325
Education	53,753	408,363	**462,116**	616,606
World of Work	1,006	479,064	**480,070**	543,323
Community	-	705,507	**705,507**	757,163
Health	8,643	298,424	**307,067**	260,455
Core	50,017	85,278	**135,295**	197,112
	658,029	2,187,146	**2,845,175**	2,998,984

Notes to the Financial Statements for the year ended 31 August 2023 (continued)

(c) Other trading activities - Group

	Unrestricted £	Restricted £	For the year ending 31 August 2023 £	For the year ending 31 August 2022 £
Fundraising events	176,247	-	176,247	113,730
Sponsorships and lottery	94,116	-	94,116	82,820
Letting arrangements for Property	14,117	-	14,117	24,200
Trading activity	1,028,720	-	1,028,720	882,356
	1,313,200	-	**1,313,200**	1,103,106

In the prior year, income from other trading activities comprised solely of £1,103,106 unrestricted income.

Other trading activities - Charity

	Unrestricted £	Restricted £	For the year ending 31 August 2023 £	For the year ending 31 August 2022 £
Fundraising events	176,247	-	176,247	113,730
Sponsorships and lottery	94,116	-	94,116	82,820
Letting arrangements for Property	14,117	-	14,117	24,200
Trading activity	183,000	-	183,000	184,399
	467,480	-	**467,480**	405,149

In the prior year, income from other trading activities comprised solely of £405,149 unrestricted income.

(d) Investments – Group and Charity

	Unrestricted £	Restricted £	For the year ending 31 August 2023 £	For the year ending 31 August 2022 £
Bank interest received	37,271	-	37,271	-

Notes to the Financial Statements for the year ended 31 August 2023 (continued)

2 Group Expenditure

a) Expenditure on raising funds – Group

	For the year ending 31 August 2023 £	For the year ending 31 August 2022 £
Cost of seeking donations and grants	**157,926**	123,013
Fundraising events	**93,945**	66,810
Sponsorships and lottery	**28,102**	37,190
Membership scheme	**5,413**	2,900
Other running costs	**444,795**	443,067
Depreciation	**20,566**	21,670
Marketing and publicity	**24,154**	28,376
Matchday tickets and stadium tours	**10,167**	86,644
	785,068	809,670

In the prior year, expenditure on raising funds comprised solely of £809,670 unrestricted expenditure.

Expenditure on raising funds – Charity

	For the year ending 31 August 2023 £	For the year ending 31 August 2022 £
Cost of seeking donations and grants	**157,926**	123,013
Fundraising events	**93,945**	66,810
Sponsorships and lottery	**28,102**	37,190
Membership scheme	**5,413**	2,900
Other running costs	**20,035**	34,212
Marketing and publicity	**24,154**	28,376
Matchday tickets and stadium tours	**10,167**	86,644
	339,742	379,145

In the prior year, expenditure on raising funds comprised solely of £379,145 unrestricted expenditure.

Notes to the Financial Statements for the year ended 31 August 2023 (continued)

b) Expenditure by Charitable Activity - Group

	Sport and Play	World of Work	Education	Community	Health	Beacon of Light	Core	2023	2022
	£	£	£	£	£	£	£	£	£
Matchday tickets and stadium tours	18,204	5,362	350	2,379	4,176	-	-	**30,471**	33,704
Education	454,340	342,173	495,229	472,293	246,773	-	-	**2,010,808**	2,119,803
Depreciation and amortisation	14,712	14,712	14,712	14,712	14,712	394,762	-	**468,322**	503,788
Redundancy Expenses	-	-	-	-	-	-	4,806	**4,806**	-
Building[1]	181,998	115,706	111,378	170,040	74,009	-	-	**653,131**	624,943
Support costs (c)	183,420	116,610	112,249	171,369	74,587	-	135,295	**793,530**	635,782
Governance (d)	5,209	5,205	5,205	5,205	5,205	-	-	**26,029**	21,830
	857,883	**599,768**	**739,123**	**835,998**	**419,462**	**394,762**	**140,101**	**3,987,097**	3,939,850

Expenditure on charitable activities comprised of £1,502,912 unrestricted funds (2022: £1,149,172) and £2,484,185 restricted funds (2022: £2,790,678).

Support costs are staffing and overheads for functions such as Directors, Finance, Admin, IT and HR and are allocated based on income.

Expenditure is allocated between the restricted and unrestricted funds based on the project to which it relates; expenditure relating to the generation of unrestricted income such as the sales of sports and play coaching courses is classified as unrestricted expenditure, while expenditure relating to restricted grant funded programmes is classified as restricted expenditure.

[1] Building costs relate to the staffing and overheads associated with operating the Beacon of Light facility.

Notes to the Financial Statements for the year ended 31 August 2023 (continued)

b) Expenditure by Charitable Activity – Charity

	Sport and Play £	World of Work £	Education £	Community £	Health £	Core £	**2023 £**	2022 £
Matchday tickets and stadium tours	18,204	5,362	350	2,379	4,176	-	**30,471**	33,704
Education	535,181	393,568	544,702	547,823	279,647	-	**2,300,921**	2,403,708
Redundancy Expenses	-	-	-	-	-	4,806	**4,806**	-
Depreciation and amortisation	14,712	14,712	14,712	14,712	14,712	-	**73,560**	62,875
Support cost (c)	183,420	116,610	112,249	171,369	74,587	135,295	**793,530**	635,782
Governance (d)	4,060	4,058	4,058	4,058	4,058	-	**20,292**	17,830
	755,577	**534,310**	**676,071**	**740,341**	**377,180**	**140,101**	**3,223,580**	3,153,899

Expenditure on charitable activities comprised of £844,046 unrestricted funds (2022: £622,528) and £2,379,534 restricted funds (2022: £2,633,662).

c) Expenditure by Support Costs – Group and Charity

	Sport and Play £	World of Work £	Education £	Community £	Health £	Core £	**2023 £**	2022 £
Administration	99,942	63,539	60,009	91,615	39,874	30,740	**385,719**	247,808
Directors	48,436	30,794	28,488	43,493	18,930	30,740	**200,881**	167,924
Finance Dept	20,324	12,919	15,899	24,272	10,564	43,076	**127,054**	148,545
HR Dept	4,038	2,567	2,471	3,773	1,642	-	**14,491**	7,652
IT Dept	10,680	6,791	5,382	8,216	3,577	30,739	**65,385**	63,853
	183,420	**116,610**	**112,249**	**171,369**	**74,587**	**135,295**	793,530	635,782

(d) Governance Costs - Group	**For the year ending 31 August 2023 £**	For the year ending 31 August 2022 £
Audit Fees	**20,789**	22,050
VAT Fees	**5,240**	4,050
Total Costs - Group	**26,029**	26,100

Governance costs are charged as incurred.

Notes to the Financial Statements for the year ended 31 August 2023 (continued)

e) Exceptional item - Group

	Year ended 31 August 2023 £	Year ended 31 August 2022 £
Business rates		
Business rates relating to the period of June 2018 – August 2021	-	179,905

e) Exceptional item – Charity

	Year ended 31 August 2023 £	Year ended 31 August 2022 £
Business rates		
Business rates relating to the period of June 2018 – August 2021	-	102,301

Included within expenditure is an amount of £nil (2022: £179,905 Group and £102,301 Charity) relating to rates costs for the period 1 June 2018 to 31 August 2021. This expenditure arose due to an arrangement that was agreed during the previous financial year in respect of previous accounting periods. Current business rates have been reflected as expected in current expenditure.

Notes to the Financial Statements for the year ended 31 August 2023 (continued)

3 Group Staff Costs

	Year ending 31 August 2023 £	Year ending 31 August 2022 £
Staff costs:		
Wages and salaries	**2,264,221**	2,241,893
Social security costs	**199,400**	157,212
Other pension costs	**74,977**	54,756
Redundancy costs	**13,783**	-
	2,552,381	2,453,861

Two employees received total employee benefits above £60,000 for the reporting period, one at £60,000 - £70,000 & one at £100,000 - £110,000 (2022: two employees). For staff paid over £60,000 pension contributions of £7,190 were made (2022: £8,075). Key Management detailed on page 1 cumulatively received £294,498 in employee benefits in 2022 (2022: £296,066).

The Trustees are not entitled to, and did not receive, any remuneration for their services to the Charity (2022: £nil). During the year total expenses reimbursed to trustees for travel and subsistence, amounted to £503 (2022: nil).

The Foundation had an Aviva defined contribution pension scheme which was open to all permanent employees after successful completion of their probation period. The Foundation made a standard contribution of 3% of basic salary on behalf of the members, at a cost of £28,719 (2022: £25,355) in the year. At the year end £nil (2022: £4,608) in payable contributions were outstanding. The Foundation has also been required to auto-enrol all eligible employees into a pension scheme since July 2014, as such, all new employees are automatically enrolled into the NEST governmental defined contribution scheme. Employees are required to make a 5% contribution and the Foundation makes a standard contribution of 3%. The cost of the NEST scheme in 2023 was £25,521 (2022: £29,816). At the year-end there were £nil (2022: £5,642) payable contributions outstanding. These pension costs would be allocated as per staff costs based on project/activity allocations. During the year the Foundation undertook a pension review which resulted in a new Royal London company pension scheme taking over the existing Aviva scheme. This scheme is open to all permanent employees after successful completion of their probation period. The Foundation made a standard contribution of 3% of basic salary on behalf of the members, at a cost of £20,738 (2022: £nil) in the year. At the year end £20,738 (2022: £nil) in payable contributions were outstanding.

The monthly average number of persons employed by the Group and Charity during the year was 143 (2022: 144). The average number of full-time staff members was 68 (2022: 74) and those on part time and casual contracts was 75 (2022: 70). All staff are employed for the furtherance of the Charity's objectives.

Notes to the Financial Statements for the year ended 31 August 2023 (continued)

Staff employed can be further analysed as follows:

	Year ending 31 August 2023	Year ending 31 August 2022
	Number	Number
Delivery Staff	102	105
Support and Administration	13	14
Beacon of Light Operations	17	14
Commercial and Marketing	8	9
Directors	3	2
	143	144

4 Net outgoing resources before transfers

Net outgoing resources for the Group are stated after charging:

	Year ending 31 August 2023	Year ending 31 August 2022
	£	£
Audit fee	27,350	22,050
Depreciation	453,970	502,542
Amortisation	28,917	22,917
Operating lease costs:		
- plant and machinery	15,951	21,367
Bank Interest	73,097	39,023
Non-Audit Fees for Tax Compliance services	4,050	4,050

£Nil depreciation was charged in the year related to leased assets (2021: £Nil).

Notes to the Financial Statements for the year ended 31 August 2023 (continued)

5 Intangible assets

Charity	Website and data warehouse	Total
	£	£
Cost		
As at 1 September 2022	71,500	71,500
Additions	-	-
As at 31 August 2023	71,500	71,500
Accumulated Amortisation		
As at 1 September 2022	20,487	20,487
Charge for the Period	23,834	23,834
At 31 August 2023	44,321	44,321
Net book value		
At 31 August 2023	27,179	27,179
At 31 August 2022	51,013	51,013

Group	Website and data warehouse	Total
	£	£
Cost		
As at 1 September 2022	86,750	86,750
Additions	-	-
As at 31 August 2023	86,750	86,750
Accumulated Amortisation		
As at 1 September 2022	23,473	23,473
Charge for the Period	28,917	28,917
At 31 August 2023	52,390	52,390
Net book value		
At 31 August 2023	34,360	34,360
At 31 August 2022	63,277	63,277

Notes to the Financial Statements for the year ended 31 August 2023 (continued)

6 Property, Plant and Equipment

Charity	Computer Equipment	Leasehold Buildings	Fixtures and Fittings	Total
	£	£	£	£
Cost				
As at 1 September 2022	**385,789**	**75,706**	**226,975**	**688,470**
Additions	17,568	-	12,090	29,658
Disposals	(186,050)	-	(104,855)	(290,905)
As at 31 August 2023	**217,307**	**75,706**	**134,210**	**427,223**
Accumulated Depreciation				
As at 1 September 2022	**309,925**	**75,706**	**210,475**	**596,106**
Disposals	(186,050)	-	(104,855)	(290,905)
Charge for the Period	43,120	-	6,606	49,726
At 31 August 2023	**166,995**	**75,706**	**112,226**	**354,927**
Net book value				
At 31 August 2023	**50,312**	**-**	**21,984**	**72,296**
At 31 August 2022	75,864	-	16,500	92,364

Group	Computer Equipment	Freehold Buildings	Leasehold Buildings	Fixtures and Fittings	Total
	£	£	£	£	£
Cost					
As at 1 September 2022	**586,240**	**18,720,701**	**75,706**	**501,187**	**19,883,834**
Additions	17,570	-	-	32,341	**49,911**
Disposals	(186,050)	-	-	(104,855)	**(290,905)**
As at 31 August 2023	**417,760**	**18,720,701**	**75,706**	**428,673**	**19,642,840**
Accumulated Depreciation					
As at 1 September 2022	**510,291**	**1,526,831**	**75,706**	**471,505**	**2,584,333**
Disposals	(186,050)	-	-	(104,855)	(290,905)
Charge for the Period	43,203	381,315	-	35,452	459,970
At 31 August 2023	**367,444**	**1,908,146**	**75,706**	**402,102**	**2,753,398**
Net book value					
At 31 August 2023	**50,316**	**16,812,555**	**-**	**26,571**	**16,889,442**
At 31 August 2022	75,949	17,193,870	-	29,682	17,299,501

7 Investments

The Foundation has a wholly owned subsidiary, Altruism Limited (previously SAFC Community Limited), a company incorporated in England and Wales registration number 04303983. The purpose of the company is to operate the commercial trading at the Beacon of Light, including sport facility hire, meetings and predominantly events. The income of the subsidiary as at 31 August 2023 was £916,806 (2022: £784,372) with expenditure totalling £966,999 (2022: £1,002,247) resulting in a net loss of £50,193 (2022 loss: £217,875). The net liabilities of the subsidiary as of 31 August 2023 were £1,051,915 (2022: net liabilities of £1,001,722).

The Foundation also has a wholly owned trading subsidiary, Beacon of Light Limited registration number 09221229, which was established in September 2014. The purpose of the company was to construct and now to run the Beacon of Light facility. The income of the subsidiary as at 31 August 2023 was £1,121,082 (2022: £1,070,028) with expenditure totalling £1,053,628 (2022: £1,069,857) resulting in a net profit of £67,454 (2022 profit: £717). The net liabilities of the subsidiary as of 31 August 2023 were £414,063 (2022: net liabilities of £481,517).

Both subsidiaries share the same registered address as the Foundation of Light; Beacon of Light, Stadium Way, Sunderland, SR5 1SN.

8 Debtors

	Charity 31 August 2023 £	Charity 31 August 2022 £	Group 31 August 2023 £	Group 31 August 2022 £
Trade Debtors	**81,918**	169,027	**197,787**	260,208
Amounts due from Group undertakings	**1,069,281**	1,300,778	**-**	-
Amounts due from Sunderland AFC Ltd	**15,506**	1,694	**19,346**	8,334
Other Debtors	**-**	3	**37,119**	10,240
Prepayments and accrued income	**291,200**	662,917	**333,894**	668,948
	1,457,905	2,134,419	**588,146**	947,730

Amounts due from Group undertakings includes an intercompany loan of £1,015,840, of which £300,000 is due in less than one year, and £715,840 is due after more than one year. The loan is due for repayment by June 2029. Interest is charged at 3%. The remaining balance relates to recharges invoiced but not received as at year-end.

9 Creditors: amounts falling due within one year

	Charity 31 August 2023 £	Charity 31 August 2022 £	Group 31 August 2023 £	Group 31 August 2022 £
Trade Creditors	**43,813**	41,481	**382,385**	374,069
Amounts due to Sunderland AFC Ltd	**35,985**	42,969	**35,985**	42,969
Other Creditors	**132,201**	76,124	**136,610**	66,213
Amounts due to Group undertakings	**14,890**	75,624	**-**	-
Accruals and deferred income	**88,021**	529,800	**161,154**	629,382
Charity Bank Loan	**41,350**	25,600	**41,350**	25,600
	356,260	791,598	**757,484**	1,138,233

Amounts due to Group undertakings are unsecured, have no interest and are repayable on demand.

Notes to the Financial Statements for the year ended 31 August 2023 (continued)

Deferred income can be further analysed as follows:

	Charity for the year ending 31 August 2023	Charity for the year ending 31 August 2022	**Group for the year ending 31 August 2023**	Group for the year ending 31 August 2022
	£	£	£	£
Balance brought forward	**357,657**	152,293	**386,131**	230,734
Recognised in year	**2,599,853**	2,632,490	**2,796,686**	2,707,264
Released in year	**(2,852,958)**	(2,427,126)	**(3,078,265)**	(2,551,867)
Balance carried forward	**104,552**	357,657	**104,552**	386,131

Income is deferred based on the calendar period the activity takes place.

10 Creditors: amounts falling due after one year

	Charity	Charity	**Group**	Group
	31 August 2023	31 August 2022	**31 August 2023**	31 August 2022
	£	£	£	£
Charity Bank Loan	**1,034,951**	1,074,400	**1,034,951**	1,074,400

The primary external finance of the Group is the loan due to the Charity Bank which has an outstanding balance of £1,076,301 as of 31 August 2023. Monthly capital and interest repayments commenced February 2023 with the final repayment due January 2038. Interest is charged at 3% above the Bank of England rate. This loan now only has two covenants attached; a cash covenant and a loan to value covenant in comparison to the previous three covenants. The Charity bank loan is secured by a fixed charge against the Beacon of Light facility.

Notes to the Financial Statements for the year ended 31 August 2023 (continued)

11 Analysis of Net Assets

Charity

Fund balances at 31 August 2023 are represented by:	Unrestricted	Restricted	Total
	£	£	£
Fixed Assets	-	99,475	**99,475**
Investments	-	2	**2**
Net Current Assets	1,055,120	1,106,304	**2,161,424**
Creditors: amounts falling due after one year	-	(1,034,951)	**(1,034,951)**
Total funds	1,055,120	170,830	**1,225,950**

The funds can be further analysed as follows:

	1 September 2022	Income	Expenditure	Transfers	31 August 2023
	£	£	£	£	£
General funds	1,131,894	1,228,820	(1,183,788)	(172,168)	**1,004,758**
Designated funds					
Contingency fund	50,362	-	-	-	**50,362**
Total designated funds	50,362	-	-	-	**50,362**
Total unrestricted funds	1,182,256	1,228,820	(1,183,788)	(172,168)	**1,055,120**
Restricted funds:					
Education	-	408,713	(531,406)	122,693	-
World of Work	4,243	484,426	(493,749)	5,080	-
Sport and Play	-	228,714	(228,714)	-	-
Community	156,336	707,886	(693,391)	(1)	**170,830**
Health	-	302,600	(346,997)	44,397	-
Core	-	85,278	(85,278)	-	-
Total restricted funds	160,579	2,217,617	(2,379,535)	172,168	**170,830**
Total funds	1,342,835	3,446,437	(3,563,323)	-	**1,225,950**

Notes to the Financial Statements for the year ended 31 August 2023 (continued)

11 Analysis of net assets (continued)

Group

Fund balances at 31 August 2023 are represented by:	Unrestricted	Restricted	Total
	£	£	£
Fixed Assets	-	16,923,802	**16,923,802**
Net Current Assets	94,666	928,236	**1,022,902**
Creditors: amounts falling due after 1 year	-	(1,034,951)	**(1,034,951)**
Total funds	94,666	16,817,087	**16,911,753**

The funds can be further analysed as follows:

	31 August 2022	Income	Expenditure	Transfers	31 August 2023
	£	£	£	£	£
General funds	139,802	2,074,540	(2,287,980)	117,942	**44,304**
Designated funds					
Contingency fund	50,362	-	-	-	**50,362**
Total designated funds	50,362	-	-	-	**50,362**
Total unrestricted funds	190,164	2,074,540	(2,287,980)	117,942	**94,666**
Restricted funds:					
Education	-	408,713	(481,933)	73,220	-
World of Work	4,243	484,426	(442,354)	(46,315)	-
Sport and Play	-	228,714	(147,873)	(80,841)	-
Community	156,336	707,886	(617,862)	(75,529)	**170,831**
Health	-	302,600	(314,123)	11,523	-
Core	-	85,278	(85,278)	-	-
Beacon of Light	17,039,418	1,600	(394,762)	-	**16,646,256**
Total restricted funds	17,199,997	2,219,217	(2,484,185)	(117,942)	**16,817,087**
Total funds	17,390,161	4,293,757	(4,772,165)	-	**16,911,753**

Notes to the Financial Statements for the year ended 31 August 2023 (continued)

11 Analysis of Net Assets (continued)

During the year, transfers were made between unrestricted and restricted funds to cover overspends that had occurred on certain restricted funds. Some restricted funds have been rolled forward between financial years and we have no indication of any claw backs to date. There have also been some transfers between restricted funds, the Sport and Play department are partially funded by restricted grant income from Trusts and Foundations; however, the majority of funding is from unrestricted funds, particularly trading income from the delivery of courses. Community, Core, Health, Education and World of Work projects are mainly funded by grants from Trust and Foundations, corporate funding and Public Sector contracts; the balance is funded from unrestricted funds.

A description of each restricted fund is given below:

Education	Includes Post 16 Football Scholarship and, secondary education projects.
World of Work	Family Learning programmes and employability courses (based in Durham, Sunderland, and South Tyneside).
Sport and Play	Community football teams, the Emerging Talent Centre and in and out of curriculum coaching in Durham, Sunderland, and South Tyneside.
Health	Includes suicide prevention, physical and mental health projects, over 55s and veterans' delivery sessions, and the Coal to Goals project.
Community Inclusion	Youth Engagement activity.
Beacon of Light	Grant funding received for the construction of the Beacon of Light facility, funding capital expenditure on the project and the depreciation charges on the build.
Core	Digital, including the website and E-Learning platform.

Notes to the Financial Statements for the year ended 31 August 2023 (continued)

12 Financial Commitments

Operating lease commitments

At 31 August the Group had total commitments under non-cancellable operating leases, as follows:

	31 August 2023			31 August 2022		
Group	**Land and buildings**	**Other**	**Total**	Land and buildings	Other	Total
	£	£	£	£	£	£
Within one year	-	4,784	4,784	-	4,784	4,784
Between one to five years	-	7,973	7,973	-	12,757	12,757
Total	-	12,757	12,757	-	17,541	17,541

13 Related Party Transactions

During the year, the Foundation of Light provided services to Beacon of Light Limited, namely through the recharge of staffing support and overheads of £351,070 (2022: £294,674) and Altruism Limited of £227,897 (2022: £203,987). In addition, the Beacon of Light Limited also received income from rent and services charges of £99,733 (2022: £93,518) from the Foundation of Light, £521,673 (2022: £494,117) from Altruism Limited. Altruism Limited received hire income from sporting and meeting facilities from the Foundation of Light of £223,174 (2022: £190,379).

The Foundation received quantifiable gifts in kind from Sunderland AFC Limited of £40,638 (2022: £120,348). Gifts included match tickets for both staff and participants as well as use of certain areas of the Stadium for tours etc.

Details of the Foundation's relationship with the Club can be found on page 5 of the Trustees' report.

The Foundation continued to sponsor an Alternative Provision Free School, Beacon of Light School, which received its first intake of pupils in September 2017. Lesley Spuhler OBE (Chief Executive) was a Member of Beacon of Light School until 31st August 2023 and James Wright (Managing Director) is a school governor. Income, being recharges of invoices and services in the year totalled £81,098 (2022: £114,498) with outstanding balances at the year end of £2,660. The School joined the Laidlaw Schools Trust on 1st September 2023.

The Foundation received donations from Trustee's in the year of £25,700 (2022: £nil).

FOUNDATION OF LIGHT

England & Wales - Charity number 1089333

Accounts

Foundation of Light (a Company Limited by Guarantee)
Consolidated Annual Report and Financial Statements
for the year ended 31 August 2022

Registered Charity Number: 1089333

Registered Company Number: 04243171

Foundation of Light

Annual Report and Consolidated Financial Statements for the year ended 31 August 2022

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Foundation of Light

Trustees and Advisers for the year ended 31 August 2022

Trustees
Sir Robert Sydney Murray CBE - Chair of Trustees
The Rt Hon. The Baroness Estelle Morris of Yardley, PC - Vice Chair of Trustees
Kathryn Adie CBE, DL
George Clarke
Paul Collingwood (resigned 13th December 2021)
Stephen Cram CBE - Treasurer
Kyril Robert Leonid Louis-Dreyfus
Martin James Hibbert (appointed 9th December 2021)
Nathan O'Brien (resigned 20th October 2021)
Col. The Hon. James David Alexander Ramsbotham CBE, DL
Sir Timothy Miles Bindon Rice
The Rt Hon. The Baroness Tanni Carys Davina Grey-Thompson DBE, DL

Key Management

Lesley Spuhler OBE DL	Chief Executive
James Wright	Managing Director
Ciaron Brunning	Financial Controller
Clare Wilson	Assistant Director of Development (As of 13th July 2022)

Registered Office
Beacon of Light
Stadium Park
Sunderland
SR5 1SN

Banker
Barclays Bank PLC
53 Fawcett Street
Sunderland
SR1 1SD

Independent Auditor
RSM UK Audit LLP
Chartered Accountants
1 St. James' Gate
Newcastle upon Tyne
NE1 4AD

Legal Advisor
Ward Hadaway
102 Quayside
Newcastle upon Tyne
NE1 3DX

Foundation of Light

Chairman's Statement

I am pleased to share this year's Annual Report in our 21st birthday year.

Whilst life has returned to normal for many of us since the peak of the pandemic, many others within our community find themselves in further difficult times because of the significant impacts of the war in Ukraine and the cost-of-living crisis. For those who were already living in difficult circumstances, their need is far greater than ever before and that is why we must do more to support them.

The last twelve months has seen the Foundation of Light continue to support the most vulnerable in our society, bridging the gap between our communities and front-line services, which are subject to increasingly difficult challenges in the current economic climate. The economic outlook continues to look very challenging with shrinking economy and recession predicted.

This year, we have also seen the North East sadly top the table across the UK for child poverty, with one in three children living in poverty, one of the highest rates in Europe. This unwelcome title is truly shocking and its impact devastating to families in our region.

The current cost-of-living crisis is set to continue and the financial outlook for many vulnerable individuals and families is frightening and stressing. The economic uncertainty many in our community face will have a demoralising and destructive impact on them and on communities as a whole. It will not discriminate and will make an impact for generations.

Every day we hear and see the real-life effect of rocketing inflation and soaring fuel costs on the hard-working people of our region; one in four families have already fallen into fuel poverty this winter, with thousands turning to food banks and public buildings for basic necessities such as food and warmth. These statistics are heart-breaking. They are why our Foundation matters now more than ever before.

At the core of our ethos is to continually innovate and develop our services to align with the current and specific needs of our community. With this in mind, we have developed several new initiatives this year to tackle the cost-of-living crisis and introduced new programmes in health and social care, Esports, and history and heritage.

Of course, although we work outreach across communities, the Beacon of Light is central to our work and it's amazing to have welcomed over 200,000 people through the doors this year. The building has further demonstrated the crucial role it plays, at the heart of our community and turning dreams into reality. In addition to the people visiting every day, 2022 also saw the Beacon play host to the ultimate free summer holiday activity experience as over 1,500 families attended the Foundation's Community Fun Day featuring a range of inclusive and family friendly activities.

The hard work and dedication of our staff really inspires me as they deliver ground-breaking sports, health, community, and education programmes. Through their commitment to and passion for making a difference, every day we continue to embed ourselves into the fabric and heart of the North East community.

Our financial performance for the year reflects the challenge of adapting to the new world and challenging economic environment but still paints a positive picture, despite the unprecedented trading position that we and many other charities and small businesses find ourselves in, the Group reported a trading EBITDA of £200,879 for the year.

Foundation of Light

Chairman's Statement (continued)

The Group's net assets are £17,390,161 in 2022 of which unrestricted reserves are £190,164 and the Charity reserve funds have risen to £1,342,835 in 2022, of which £1,182,256 is unrestricted, compared to £1,081,600 in 2021 thereby retaining a position ahead of the £750,000 unrestricted policy that we adopted for the charity.

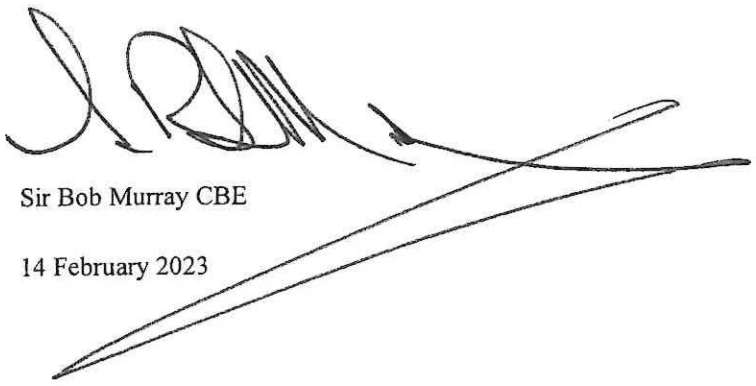
Intercompany debt has been reviewed during the period and a deed of variation has been agreed that the debt will be repaid over seven years with an interest charge attached.

We are proud to have made some significant enhancements in areas of compliance and governance by undertaking a review that has seen Trustees agree on forthcoming priority areas; committees and boards have been strengthened; and a Governance Manual with comprehensive scheme of delegation created. We have also adopted the Premier League Capability Code of Practice as our compliance standard and this has accelerated major improvements in areas of risk management, streamlining of policies and procedures, and developing management information systems.

There are undoubtedly more challenging times to come, but the North East is a resilient, compassionate and caring place, and it is heartening to see what can be achieved when people unite together in a common cause and help one another.

So, I would like to thank all our partners; I would particularly like to thank Sunderland AFC Chairman Kyril Louis-Dreyfus and all the team at Sunderland AFC for their continued commitment and support. Since Kyril joined the Board of Trustees last year, he has brought the Club and Foundation closer together, ensuring that the needs of the community are at the heart of the Club's long-term vision.

The North East is a beautiful and incredible region, with remarkable and generous people who continuously stand together when it matters the most. Your support is humbling and inspiring and I would like to thank all our funders and supporters for everything you have done and continue to do to help our communities. Your support is truly life changing to so many and truly does light up the lives of every generation every single day.



Sir Bob Murray CBE

14 February 2023

Foundation of Light

Trustees' Report for the year ended 31 August 2022

The Trustees are pleased to present their annual report together with the audited financial statements of the Charity and Group for the year ended 31 August 2022. This report includes the information required to satisfy the company law requirements to present a Strategic Report and a Directors' Report.

Structure, Governance and Management

Governing Document

Foundation of Light is a company limited by guarantee, governed by its Memorandum and Articles of Association dated November 2001. The liability of the Trustees for the debts and liabilities of the company is limited, and in the event of the company being wound up, would not exceed £1. It is registered as a charity with the Charity Commission (registered number 1089333), with two subsidiaries - Altruism Limited (registered number 04303983) date of incorporation 12th Oct 2001 which is governed by its memorandum and articles dated 12th Oct 2001 and updated on the 24th Oct 2014 and also Beacon of Light (registered number 09221229) date of incorporation 16th Sept 2014 which is governed by its memorandum and articles dated 16th Sept 2014.

Appointment of Trustees

As set out in the Articles of Association, Trustees are invited to join the Board, however full-time/part time staff members of Foundation of Light are not eligible. From time-to-time nominees may be invited to become friends of the Foundation or honorary members. Sunderland AFC Limited ('the Club') can appoint one Trustee. At the Annual General Meeting one third of Trustees shall resign by rotation and are then eligible to be re-appointed if nominated.

Trustee Induction and Training

New Trustees receive an induction pack that includes the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the Charity. Trustees are encouraged to attend appropriate external training events to assist them in the undertaking of their role.

Organisation

The Board of Trustees, which shall include no less than six members and not more than twelve, administers the Charity. The Board meets at least four times a year and there are sub-committees covering Finance, Audit and Risk (comprises four committee members, including three independent members to review the integrity of the financial statements, advise on and oversee risk, and appoint external audit; where appropriate making recommendations to the Trustees), Nominations and Remuneration, and Programmes Committee which meet more regularly. A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the Charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance, employment, education, skills and sport related activity. Administrative details for the Charity, its Trustees, and advisors, are detailed on page 1.

Related Parties

Although Foundation of Light is structurally and financially independent from Sunderland AFC ("the Club"), the Club supports its own registered Charity in many ways, not least through its gifts in kind such as match day tickets, prime accommodation, and auction prizes. The Foundation continues to sponsor an Alternative Provision Free School, Beacon of Light School, which resides as a tenant of the Beacon of Light facility in Sunderland.

Key Management Pay

The pay of all staff including key management is banded in salary grades dependent on their role. Each grade is reviewed regularly and compared to similar roles in the sector. Revisions to pay grades are included in the annual budget setting process and a recommendation is made to Trustees on the level of pay increases to be awarded. The Trustees delegate the approval process to the Nominations and Remunerations Committee who have the final say in the pay awards granted for the year.

Risk Management

The Trustees have a risk management strategy which comprises:

- An annual review of the risks the Group may face;
- The establishment of systems and procedures to mitigate those risks identified in the plan; and
- The implementation of procedures designed to minimise any potential impact on the Charity should those risks materialise.

This work has identified a few major risks which has resulted in improved procedures and contingency plans and has given the impetus for better planning. Particular attention is focused on non-financial risks arising from working with young people such as safeguarding and health and safety. A key element in the management of financial risk is the setting of a regular review through the Audit and Risk Committee and Executive Team. Changes in both the political and economic climate are identified as major risks in this risk assessment.

Principal Risks and Uncertainties

The Foundation will always face business risks; however, the Trustees have taken steps to mitigate these as far as possible. The Finance, Audit and Risk Committee and the Board of Trustees undertake reviews. The CEO along with the Assistant Director (Compliance) have delegated responsibility for the day-to-day management of risk through business continuity strategies that support a flexible approach to adapting and surviving. Risks identified include:

Cost-of-Living Crisis

With inflation now at an all-time high and the cost of everyday essentials rising the current crisis is taking a toll on everyone's finances. The Foundation is likely to experience increased demand especially on health and wellbeing programmes as people struggle to meet the cost of everyday life.

Running costs increasing and concerns over income as people have less to give further increase the vulnerability of a decrease in donations and declining government funding.

COVID-19 Pandemic

The impact of COVID-19 continues to impact all our lives and major risks continue to include the health and safety of staff and participants along with financial and physical resource loss and disruption to services and programmes due to staff absence should a future pandemic occur. As a result, business continuity plans and Covid-19 operational risk assessments remain on our risk agenda, aligned to an alert system for legislation and guidance changes.

Financial Risks

With continued success comes the pressure for growth and expansion. In developing the Beacon of Light facility space has been provided for Sport and Play facilities, World of Work delivery and an Alternative Provision Free School. With such a level of expansion comes the risk of being unable to raise adequate funds to run the building and turn an operating profit. Current actions to help manage these risks include new Assistant Director appointments to the Group of Companies, the execution of a new business plan and the recruitment of experienced staff and consultants to support activities.

Generating income and achieving financial sustainability remains a challenge with income from both local and central government, as well as income from grants and government contracts declining and therefore, increasing financial resilience and closely monitoring income levels will be vital going forward. This makes the trading company's success particularly important.

Compliance Risks

Delivery teams, due to the nature of the Foundation's mission, work within the disadvantaged communities which we aim to help. The compliance risks have increased due to the operation of the Beacon of Light facility and an increase in number of staff and volunteers. Risks are in the areas of Health and Safety, Safeguarding and Data Protection and Privacy.

Comprehensive health and safety policies are in place to protect staff; regular safety audits are conducted, and expert consultants are used where needed. Regular training is in place for staff and a Health and Safety Committee is in operation.

Whilst the Foundation has always been mindful of data protection legislation, changes in regulations due to GDPR (General Data Protection Regulation) and further proposed changes mean more robust policies and procedures are required and the need for software that meets the very latest cybersecurity standards. Action plans have been developed, policies reviewed, and a new training programme put in place.

The Foundation has robust Safeguarding procedures to ensure compliance with local and national agendas. Policies and procedures are in place alongside a Safeguarding assurance framework which is quality checked by the Programmes Committee and reported to the Trustees by the Committee Chair, Baroness Estelle Morris. A safeguarding audit is currently underway.

Human Resources and Key Personnel

The Foundation recognises that a combination of increased workloads, pressure at home, health concerns, and money worries, could lead to burnout in the workplace and further recognises that the delivery of its health and wellbeing programmes and sustainability initiatives could provide valuable information and support to the wider stakeholders. The Foundation currently offers a diverse programme of health and wellbeing for staff and strives to seek other ways to support staff and volunteers through advice, information, and benefits

The threat of losing key people with specialist knowledge, skills, history, and expertise is a risk. Staff turnover has increased, and a study taken place designed to improve recruitment and retention. Benefits and training opportunities have been reviewed, annual staff surveys conducted, an active

culture working group (represented by staff) meets regularly; whilst requiring staff to give adequate notice periods to ensure there are no gaps in the Foundation's ability to deliver services. In addition, new and improved dashboard reporting is being developed for human resource management decision making. The Trustees have almost concluded a Governance review that includes succession planning for Board members.

Workforce Diversity

The Foundation has drawn up plans to address issues of equality, diversity and inclusion in the workplace which includes improved human resources skills, knowledge, and capacity along with equality, diversity and inclusion knowledge, skills, and training. An equality, diversity and inclusion working group has been established.

Achievements and Performance

Headlines

Not only has this last year seen some amazing success stories for the people who have accessed our services with improved life chances, better lifestyle choices and increased equality but we have also developed new initiatives to tackle the cost-of-living crisis and introduced new programmes in health and social care, Esports and history and heritage.

2021/2022 has seen:

- Almost half a million hours of meaningful engagement with 14,000 participants of all ages and backgrounds in addition to those attending the Beacon of Light weekly
- Over 1,000 young people making safer and healthier choices through our youth intervention programmes
- Over 250 over 55s in weekly social activities' and over 1,200 activity bags distributed to help combat loneliness
- Specialist sport and education provision for over 2,000 people with disabilities
- Over 1,500 improving life and employability skills' and over 10,000 improving health and wellbeing
- Working with almost 200 families in family learning courses
- 280 teenagers completing 7,820 hours of social action projects in the community
- 332 meals given to young people as part of our holiday hunger programmes
- Over 12,000 volunteering hours

Strategic Overview

We have continued to work not only in the Beacon of Light, but outreach in schools, community centres and playing fields in some of the most deprived communities, delivering over 40 programmes in areas of education and skills, health and wellbeing, inclusion, and sport and play.

Every contact will count with three million hours of meaningful engagement over five years

Almost half a million hours have been delivered this year alone and this has included over 2,000 participants with a disability, 41% girls and women, 100 plus veterans and over 1,800 socially isolated people.

Post Covid we have been dealing with the cost-of-living crisis and as a result have grown our over 55s programme, continued to deliver holiday hunger play schemes, developed new family learning initiatives and in partnership with the Violence Reduction Unit, further developed our diversionary offer for young people who need our support most.

Continuing to provide long-standing and proven programmes remains important to us but new innovations are also important. This year we are especially proud of increasing our vocational skills

programmes to a portfolio of seven; being recognised for outstanding youth diversionary and mentoring projects; the growth of our health interventions to include social prescribing, quit smoking campaigns, slips, trips and falls, and suicide prevention programmes, and the roll out of our Impact Framework that will now enable us to better tell our stories around six key outcomes such as 'being the best me' and 'having a role in life'.

Vibrant and sustainable Beacon of Light

Footfall continues to increase post pandemic and the Beacon of Light has welcomed not only thousands of participants but also event attenders, fans in the SAFC Fan Zones, and exhibitors.

Customer satisfaction surveys have given testimony to the quality of what we offer with 92% willing to recommend us to a friend and through our work with MMC Research, positive perception and greater awareness has increased to 84%.

Best in our field

Over £3.6 million was raised from valued partners and supporters including grants from all three local authorities, trusts and foundations, and gifts from individuals.

We were delighted to continue our partnerships with the Harrison Centre for Social Mobility, the Vardy Foundation, the NHS, Roseline Foundation, Sir Tom Cowie Trust, ScS and Northumbrian Water. Whilst exciting new relationships were entered into with Helen McArdle and family, the Suicide Prevention Network, and the Heritage Lottery.

A new strategic agreement has been signed with Education Partnership North East, the Military Preparation College partnership continues, and a new service level agreement was signed with the Club.

This year the Foundation supported a variety of campaigns including Rainbow Laces; World Suicide Prevention Day; World Mental Health Day; LGBTQ+ History Month; Black History Month; South Asian Heritage Month; World Book Day and International Women's Day. Fundraising campaigns have included Small Change, Big Difference and we are careful to monitor such campaigns, and ensure that the public, including vulnerable people, are protected through our fundraising standards.

We have worked alongside over 250 businesses in our network to provide opportunities such as real-life learning and work experience for participants. A new partnership with Vantec has seen successful employment of several of our learners.

Our new websites went live; we embarked upon a data warehouse project; our new people strategy was published; and 92% of our employees feel proud to work for the Foundation.

Investment Procedures and Policy

At the present time, the reserves of Foundation of Light are held on interest bearing cash deposits in order to meet on-going liquidity requirements. The Trustees have powers to invest the funds as they see fit, as set out in the Memorandum and Articles of Association.

Reserves Policy

The total annual running costs of Foundation of Light (Group), assuming current programmes continue, are expected to be £5.1 million (excluding Gift in Kind). A substantial proportion of the running costs will be met by future grants and contracts which are expected to be received, subject to

certain conditions of performance in addition to fundraising activities. The aim is to sustain enough unrestricted reserves to meet three months running costs of the Charity estimated at £0.75million. As at the 31 August 2022 the Group unrestricted reserves are £190,164, including £50,362 of designated funds. A robust business plan has been put in place and now COVID restrictions have lifted trading as normal can recommence. Charity unrestricted reserves as of 31 August 2022 are £1,182,256 of which £50,362 are designated funds therefore free reserves are £1,131,894 retaining a position ahead of target.

Plans for Future Years

Our history, tradition and culture provide an important platform to future development and the continuation of current priorities in physical and mental health, first steps learning and young people.

Over the forthcoming year we look forward to:

- Our cost-of- living projects making a real difference, including being a warm space, so that critical needs can be met now, but also long term changes made to improve participants circumstances.
- Working with Education Partnership North East and the University of Sunderland to deliver first step courses that will lead to tangible further education progression, and with our businesses that will build on the success of the Vantec Scheme.
- Formalising our youth voice and other user feedback systems and analysis.
- Expanding on our work alongside the Twinning Project to pilot a new Probation Service programme
- Relaunching traineeships, apprenticeships and a football-related degree offer and continuing the delivery of our historically first-class girls football programme.
- Excelling in our Capability Code of Practice grading demonstrating excellent governance, compliance and management including improvements in EDI and environmental sustainability.
- Further development and reporting on our Impact Strategy, data management and Social Value including mapping our youth curriculum to outcomes.
- Seeking partners to support a re-development of the front of the Beacon, creating a new experiential space for the local community to exercise, play, learn and develop.
- Concluding the governance review and starting to plan for beyond five years.

In the meantime, we continue to monitor key performance indicators that deliver upon our current strategy to 2025.

Results for the Year

The Group results for the year ended 31 August 2022 show net expenditure of £543,508 including an exceptional item of £179,905, against net expenditure of £322,936 for the previous year. The exceptional item arises from an agreement reached with the council in the current financial year for rate relief available to the Charity in respect of previous financial years.

Whilst the depreciation charge for the Beacon is included in the Group accounts, the annual release of capital grants received to support the building of the Beacon of £410,834 in 2022 and £377,720 in 2021 is excluded as it was recognised in full on receipt, in line with accounting standards.

The Group again produced a positive trading EBITDA (Earnings before interest, tax, depreciation and amortisation), before this exceptional item, of £200,879 compared to £234,012 in 2021.

Foundation of Light

Income for the year was £4,385,917 (2021: £3,775,505) reflecting reductions in donations but more than offset by increases in income linked to charitable activities and other trading activities. The Group expenditure rose to £4,929,425 (2021: £4,098,441) reflecting increases in delivery costs as sessions have returned to "in person" following the lift of Covid restrictions.

The reserves of the Group remain strong with funds carried forward of £17,390,161 (2021: £17,933,669) of which unrestricted funds represent £190,164 (2021: £244,728). The reserves for the Charity have increased over the year to £1,342,835 (2021; £1,340,209) of which £1,182,256 are unrestricted and comfortably exceeding the minimum target of £750,000 set out in the reserves policy.

The Group's cash outflow from operating activities was £131,255 (2021: £145,481 generated), £118,899 was invested on new computer systems and software to strengthen operational and financial controls and reporting. After interest on loans of £39,023 and the purchase of fixtures and fittings of £24,076, the Group's cash and cash equivalents reduced by £313,253 over the year to £1,292,286, a healthy financial position to carry forward into 2023.

During the year a deed of variation was signed formalising the repayment of intercompany loans between Group companies, including setting a repayment term of seven years, and interest rate of 3%.

Going Concern

The financial statements have been prepared on a going concern basis, notwithstanding that the Group has reported 2022 net expenditure of £543,508 (2021: £322,936) and 2022 net cash outflows of £313,253 (2021: £76,057). The Group year-end balance sheet for 2022 has net current assets of £1,101,783 (2021: net current assets of £1,288,406) including cash at bank of £1,292,286 (2021: £1,605,539).

The primary external finance of the Group is the loan due to the Charity Bank which has an outstanding balance of £1,100,000 as of 31 August 2022. The loan agreement has been updated post year-end and monthly capital and interest repayments commence February 2023 with the final repayment due January 2038. This loan now only has one covenant attached which is a cash covenant in comparison to the previous three covenants.

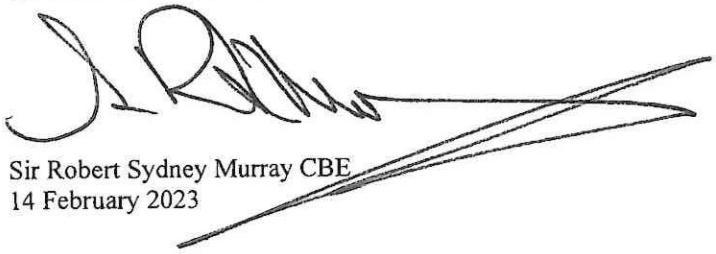
Management have prepared a cash flow forecast for the period ending 29 February 2024 which has been used as their basis of assessing the going concern basis of preparation.

The Trustees are confident that the company and Group will have sufficient funds to continue to meet its liabilities as they fall due and for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

RSM UK Audit LLP were appointed as auditor to the company and a resolution proposing that they be re- appointed will be put at a General Meeting.

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

On behalf of the Trustees



Sir Robert Sydney Murray CBE
14 February 2023

Foundation of Light

Statement of Responsibilities of the Trustees of Foundation of Light in respect of the Trustees' Annual Report and the Financial Statements

The Trustees, who are also the Directors of Foundation of Light for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the charitable Group 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Foundation of Light

Independent auditor's report to the members of Foundation of Light Limited

Opinion

We have audited the financial statements of Foundation of Light Limited (the 'parent charitable company') and its subsidiaries (the 'Group') for the year ended 31 August 2022 which comprise the Group and Company Statement of Financial Activities, the Group and Company Balance Sheets, the Group and Company Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Groups and the parent charitable company's affairs as of 31 August 2022 and of the Group's 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 Group and parent 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 Groups or parent 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 other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the

course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report, or the Strategic Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 12, 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 Groups and parent 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 Group or parent 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in

the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the Group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the Group and parent charitable company operates in and how the Group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011 and the parent charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, evaluating advice received from external advisors and inspecting correspondence and minutes.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety, UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the Group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

Independent auditor's report to the members of Foundation of Light Limited

The Group audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and reviewing transactions around the year-end to consider if the income is recorded in the correct period.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

LUCY ROBSON (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

Date

Foundation of Light

Company Statement of Financial Activities for the year ended 31 August 2022 (including Income and Expenditure account)

	Note	Unrestricted funds	Restricted funds	Total funds 31 August 2022	Total funds 31 August 2021
		£	£	£	£
Income from:					
Donations and legacies	1a	200,124	33,704	**233,828**	452,244
Charitable activities	1b	728,135	2,270,849	**2,998,984**	2,686,607
Other trading activities	1c	405,149	-	**405,149**	196,684
Job Retention Grant from Government	1d	-	-	-	170,131
Total Income		**1,333,408**	**2,304,553**	**3,637,961**	3,505,666
Expenditure on:					
Raising funds	2a	379,145	-	**379,145**	282,794
Charitable activities	2b	520,227	2,633,662	**3,153,889**	2,845,395
Exceptional item	2e	102,301	-	**102,301**	-
Total Expenditure		**1,001,673**	**2,633,662**	**3,635,335**	3,128,189
Net (expenditure)/income		**331,735**	**(329,109)**	**2,626**	377,477
Transfers between funds	11	(231,079)	231,079	-	-
Net movement in funds		**100,656**	**(98,030)**	**2,626**	377,477
Total funds brought forward		**1,081,600**	**258,609**	**1,340,209**	962,732
Total funds carried forward		**1,182,256**	**160,579**	**1,342,835**	1,340,209

All gains and losses recognised in the year are included in the Statement of Financial Activities.

All income and expenditure are derived from continuing activities.

There is no difference between the net incoming resources shown above and their historical cost equivalents.

Foundation of Light

Company Balance Sheet as at 31 August 2022

	Note	31 August 2022	31 August 2021
		£	£
Fixed assets			
Intangible assets	5	**51,013**	19,444
Property, Plant and Equipment	6	**92,364**	64,399
Investments	7	**2**	2
Total fixed assets		**143,379**	83,845
Current assets			
Debtors	8	**2,134,419**	1,865,041
Cash at bank and in hand		**931,035**	1,275,967
Total current assets		**3,065,454**	3,141,008
Creditors: amounts falling due within one year	9	**(791,598)**	(784,644)
Net current assets		**2,273,856**	2,356,364
Total assets less current liabilities		**2,417,235**	2,440,209
Creditors: amounts falling due after more than one year	10	**(1,074,400)**	(1,100,000)
Net assets		**1,342,835**	1,340,209
The funds of the charity:			
Restricted income funds	11	**160,579**	258,609
Unrestricted income funds			
General funds	11	**1,131,894**	1,031,238
Designated funds	11	**50,362**	50,362
Total unrestricted income funds		**1,182,256**	1,081,600
Total charity funds		**1,342,835**	1,340,209

The financial statements on pages 16 to 43 were approved by the Trustees on 14th February 2023 and were signed on their behalf by:

Sir Robert Sydney Murray CBE
Trustee

Foundation of Light

Consolidated Statement of Financial Activities for the year ended 31 August 2022 (including Income and Expenditure account)

	Note	Unrestricted funds	Restricted funds	Restricted Fixed Asset funds	Total funds 31 August 2022	Total funds 31 August 2021
		£	£	£	£	£
Income from:						
Donations and legacies	1a	200,124	33,704	49,999	**283,827**	499,244
Charitable activities	1b	728,135	2,270,849	-	**2,998,984**	2,686,607
Other trading activities	1c	1,103,106	-	-	**1,103,106**	388,023
Investments		-	-	-	-	-
Job Retention Grant from Government	1d	-	-	-	-	201,631
Total Income		**2,031,365**	**2,304,553**	**49,999**	**4,385,917**	3,775,505
Expenditure on:						
Raising funds	2a	809,670	-	-	**809,670**	541,012
Charitable activities	2b	1,149,172	2,349,765	440,913	**3,939,850**	3,557,429
Exceptional item	2e	179,905	-	-	**179,905**	-
Total Expenditure		**2,138,747**	**2,349,765**	**440,913**	**4,929,425**	4,098,441
Net expenditure		**(107,382)**	**(45,212)**	**(390,914)**	**(543,508)**	(322,936)
Transfers between funds	11	52,818	(52,818)	-	-	-
Net movement in funds		**(54,564)**	**(98,030)**	**(390,914)**	**(543,508)**	(322,936)
Total funds brought forward		**244,728**	**258,609**	**17,430,332**	**17,933,669**	18,256,605
Total funds carried forward		**190,164**	**160,579**	**17,039,418**	**17,390,161**	17,933,669

All gains and losses recognised in the year are included in the Statement of Financial Activities.

All income and expenditure are derived from continuing activities.

There is no difference between the net incoming resources shown above and their historical cost equivalents.

Trading EBITDA	*31 August 2022*	*31 August 2021*
	£	*£*
Net expenditure	***(543,508)***	*(322,936)*
Exceptional item	***179,905***	-
Depreciation and amortisation charges	***525,459***	*521,727*
Interest payable	***39,023***	*35,221*
Trading EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation and Exceptional Item)	***200,879***	*234,012*

Foundation of Light

Consolidated Balance Sheet as at 31 August 2022

	Note	31 August 2022	31 August 2021
		£	£
Fixed assets			
Intangible assets	5	**63,277**	19,444
Property, Plant and Equipment	6	**17,299,501**	17,725,819
Total fixed assets		**17,362,778**	17,745,263
Current assets			
Debtors	8	**947,730**	452,352
Cash at bank and in hand		**1,292,286**	1,605,539
Total current assets		**2,240,016**	2,057,891
Creditors: amounts falling due within one year	9	**(1,138,233)**	(769,485)
Net current assets		**1,101,783**	1,288,406
Total assets less current liabilities		**18,464,561**	19,033,669
Creditors: amounts falling due after more than one year	10	(1,074,400)	(1,100,000)
Net assets		**17,390,161**	17,933,669
The funds of the group:			
Restricted funds			
Restricted Fixed Asset Funds	11	**17,039,418**	17,430,332
Restricted Income Funds	11	**160,579**	258,609
Total restricted funds		**17,199,997**	17,688,941
Unrestricted funds			
General funds	11	**139,802**	194,366
Designated funds	11	**50,362**	50,362
Total unrestricted funds		**190,164**	244,728
Total group funds		**17,390,161**	17,933,669

The financial statements on pages 16 to 43 were approved by the Trustees on 14 February 2023 and were signed on their behalf by:

Sir Robert Sydney Murray CBE
Trustee

Foundation of Light

Company Cashflow for the year ended 31 August 2022

	For the year ending 31 August 2022	For the year ending 31 August 2021
	£	£
Net cashflows from by operating activities:	**(183,498)**	466,331
Cashflows from investing activities:		
Purchase of property, plant, equipment and intangible assets	**(122,411)**	(80,180)
Net cash used in investing activities	**(122,411)**	(80,180)
Cashflows from financing activities:		
Loan Repayments	-	(100,000)
Interest paid on borrowings	**(39,023)**	(35,221)
Net cash used in financing activities	**(39,023)**	(135,221)
Change in cash and cash equivalents in the period	**(344,932)**	250,930
Cash and cash equivalents at the beginning of the period	**1,275,967**	1,025,037
Cash and cash equivalents at the end of the period	**931,035**	1,275,967
Reconciliation of net movement in funds to net cashflows from operating activities:		
Net movement in funds	**2,626**	377,477
Adjustments for:		
Depreciation and amortisation charges	**62,876**	26,369
Interest payable	**39,023**	35,221
(Increase) in debtors	**(269,378)**	(225,450)
(Decrease)/increase in creditors	**(120,946)**	252,714
Exceptional item	**102,301**	-
Net cashflows from operating activities	**(183,498)**	466,331

Foundation of Light

Consolidated Cashflow for the year ended 31 August 2022

	For the year ending 31 August 2022	For the year ending 31 August 2021
	£	£
Net cashflows from by operating activities:	**(131,255)**	145,481
Cashflows from investing activities:		
Purchase of property, plant, equipment and intangible assets	**(142,975)**	(86,317)
Net cash used in investing activities	**(142,975)**	(86,317)
Cashflows from financing activities:		
Loan Repayments	**-**	(100,000)
Interest paid on borrowings	**(39,023)**	(35,221)
Net cash used in financing activities	**(39,023)**	(135,221)
Change in cash and cash equivalents in the period	**(313,253)**	(76,057)
Cash and cash equivalents at the beginning of the period	**1,605,539**	1,681,596
Cash and cash equivalents at the end of the period	**1,292,286**	1,605,539
Reconciliation of net movement in funds to net cashflows from operating activities:		
Net movement in funds	**(543,508)**	(322,936)
Adjustments for:		
Depreciation and amortisation charges	**525,460**	521,727
Interest payable	**39,023**	35,221
(Increase)/decrease in debtors	**(495,378)**	83,229
Increase/(decrease) in creditors	**163,243**	(171,760)
Exceptional item	**179,905**	-
Net cashflows from operating activities	**(131,255)**	145,481

Foundation of Light

Accounting Policies

The Group financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006, applicable accounting standards in the United Kingdom, including the Statement of Recommended Practice: Accounting and Reporting by Charities 2015 (SORP) and the Charities Act 2011. The accounts have been prepared on a going concern basis and the accounting policies have been applied consistently.

Basis of Consolidation

The Group financial statements consolidate the results of the Charity and its wholly owned subsidiaries, Beacon of Light Limited and Altruism Limited using accounting policies consistently applied across the Group, and after eliminating intra-Group transactions.

Going Concern

The financial statements have been prepared on a going concern basis, notwithstanding that the Group has reported 2022 net expenditure of £543,508 (2021: £322,936) and 2022 net cash outflows of £313,253 (2021: £76,057). The Group year-end balance sheet for 2022 has net current assets of £1,101,783 (2021: net current assets of £1,288,406) including cash at bank of £1,292,286 (2021: £1,605,539).

The primary external finance of the Group is the loan due to the Charity Bank which has an outstanding balance of £1,100,000 as of 31 August 2022. The loan agreement has been updated post year-end and monthly capital and interest repayments commence February 2023 with the final repayment due January 2038. This loan now only has one covenant attached which is a cash covenant in comparison to the previous three covenants.

Management have prepared a cash flow forecast for the period ending 29 February 2024 which has been used as their basis of assessing the going concern basis of preparation.

Gift in Kind

Gift in kind is received from Sunderland AFC in the form of products and services given freely and staff time donated, as well as from other sources. Where they can be quantified, gift in kind is included within the statement of financial activities as both income and expense.

Foundation of Light

Accounting Policies (continued)

Income

Voluntary income including gifts and legacies that provide core funding which are general in nature are recognised when there is entitlement, probability of receipt and the amount can be measured with sufficient reliability.

Investment income is recognised on a receivable basis and arises from an interest-bearing deposit account. The Charity only recognise interest on bonds when it is unconditional, and hence all conditions of the bond have been met, and it has matured.

Income from charitable activities includes income received from grants and contracts. Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability.

Donations are recognised when received unless the receipt is probable, when they are recognised as accrued income. Donations and grants received for specific purposes are classed as restricted and are deferred until the Charity is entitled to the funding and has met the conditions set out in the funding agreement.

Beacon of Light capital grant income was funding received by Beacon of Light Limited toward the construction of the Beacon of Light facility. In the consolidated SOFA, capital grants were recognised upon receipt, as required by paragraph 5.27 of the SORP and held in a specific restricted fund for future depreciation charges.

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Expenditure

Expenditure is accounted for on an accruals basis as a liability is incurred and includes irrecoverable VAT as applicable. Contractual arrangements and performance-related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises resulting in the payment being unavoidable.

- Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- Charitable activities include expenditure associated with the delivery of education activities and include both the direct costs and support costs relating to these activities.
- Governance costs include those incurred in the governance of the Charity and its assets and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions and have been allocated based on income.

Foundation of Light

Accounting Policies (continued)

Redundancy and Termination Benefits
Redundancy and termination benefits are accrued by the Charity when there is a constructive obligation to pay them. This is normally via a contractual, legislation or other agreement with employees and their representatives.

Intangible Fixed Assets
The Foundation of Light website and the development of an operational IT system have been classified as intangible fixed assets. Amortisation has been provided on a straight-line basis over the estimated useful life of the assets, with a full month's amortisation charge in the month of completion, at a rate of 33% per annum. The assets have been capitalised at cost, comprising all directly attributable costs required to bring them into working condition.

Tangible Fixed Assets
Individual fixed assets costing £500 or more are capitalised at cost. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on a straight-line basis over the estimated useful life of the asset with a full month's depreciation charged in the month of acquisition. Principal rates used are:

Land and Buildings	2%
Computer Equipment	33%
Buildings	2% - 10%
Fixtures and Fittings	25%

The Beacon is classified under Buildings, as the facility is used by the Charity as a functional property to further the charitable objectives of the Charity. The building will be depreciated over its anticipated useful economic life.

Fundraising
Fundraising income and expenditure are accounted for on an accruals basis and is classified as unrestricted.

Funds
Restricted funds are funds raised or donated for a specific purpose. All other funds are classified as unrestricted.

Surplus funds held are deposited with Barclays Bank and Nationwide to earn interest prior to utilisation by the Foundation.

There is a designated fund to build a reserve to fund the replacement of fixed assets.

Operating Leases
The Charity classifies the lease of minibuses and photocopying equipment as operating leases. Rental charges are charged on a straight-line basis over the term of the lease.

Finance Leases
Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors.

Foundation of Light

Accounting Policies (continued)

Judgements and Key Sources of Estimation Uncertainty

In the application of the accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount 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 Directors do not consider that there are any significant judgements or estimates included in the financial statements.

Foundation of Light

Notes to the Financial Statements for the year ended 31 August 2022

1 Group Income

(a) Donations and Legacies - Group

	Unrestricted £	Restricted £	For the year ending 31 August 2022 £	Unrestricted £	Restricted £	For the year ending 31 August 2021 £
Gifts, Donations and legacies	103,107	-	**103,107**	87,941	-	87,941
Capital Grants[1]	-	49,999	**49,999**	-	47,000	47,000
Grants of a general nature from government and Charitable Foundations	-	-	-	359,998	-	359,998
Membership, Subscriptions and Sponsorship	10,373	-	**10,373**	4,305	-	4,305
Donated goods and services	86,644	33,704	**120,348**	-	-	-
	200,124	83,703	**283,827**	452,244	47,000	499,244

[1] In 2014 a wholly owned subsidiary of the Foundation, Beacon of Light Limited, was established for the purpose of constructing and running a new iconic facility, the Beacon of Light. During the year £49,999 (2021: £47,000) has been received from several funders as retention to support the construction. This funding is treated as a deferred capital grant within the Beacon of Light financial statements. However, in accordance with the Charities SORP, this funding has been treated as income on consolidation. Due to the cumulative size and nature of this funding, it has been separately disclosed and is restricted, as it cannot be used for the general purposes and expenses of the Foundation.

(a) Donations and Legacies - Charity

	Unrestricted £	Restricted £	For the year ending 31 August 2022 £	Unrestricted £	Restricted £	For the year ending 31 August 2021 £
Gifts, Donations and legacies	103,107	-	**103,107**	87,941	-	87,941
Grants of a general nature from government and Charitable Foundations	-	-	-	359,998	-	359,998
Membership, Subscriptions and Sponsorship	10,373	-	**10,373**	4,305	-	4,305
Donated goods and services	86,644	33,704	**120,348**			
	200,124	33,704	**233,828**	452,244	-	452,244

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

(b) Income from charitable activities – Group and Charity

By Source of Funding	Unrestricted £	Restricted £	**For the year ending 31 August 2022 £**	For the year ending 31 August 2021 £
Football coaching sales	368,180	-	**368,180**	232,940
Sale of services as part of the direct charitable activities	135,495	-	**135,495**	130,105
Contractual payments from government or public authorities	166,460	867,716	**1,034,176**	1,214,635
Performance related grants where level of income depends on volume of service provided	58,000	1,403,133	**1,461,133**	1,108,927
	728,135	2,270,849	**2,998,984**	2,686,607

In the prior period, income from charitable activities comprised of £363,045 unrestricted funds and restricted income of £2,323,562.

By Charitable Activity	Unrestricted £	Restricted £	**For the year ending 31 August 2022 £**	For the year ending 31 August 2021 £
Sport and Play	413,128	211,197	**624,325**	478,769
Education	145,421	471,185	**616,606**	684,967
World of Work	1,572	541,751	**543,323**	375,070
Community	117,616	639,547	**757,163**	694,412
Health	4,966	255,489	**260,455**	289,266
Core	45,432	151,680	**197,112**	164,123
	728,135	2,270,849	**2,998,984**	2,686,607

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

(c) Other trading activities - Group

	Unrestricted £	Restricted £	**For the year ending 31 August 2022 £**	For the year ending 31 August 2021 £
Fundraising events	113,730	-	**113,730**	37,096
Sponsorships and lottery	82,820	-	**82,820**	33,388
Letting arrangements for Property	24,200	-	**24,200**	24,200
Trading activity	882,356	-	**882,356**	293,339
	1,103,106	-	**1,103,106**	388,023

In the prior year, income from other trading activities comprised solely of £388,023 unrestricted income.

Other trading activities - Charity

	Unrestricted £	Restricted £	**For the year ending 31 August 2022 £**	For the year ending 31 August 2021 £
Fundraising events	113,730	-	113,730	37,096
Sponsorships and lottery	82,820	-	82,820	33,388
Letting arrangements for Property	24,200	-	24,200	24,200
Trading activity	184,399	-	184,399	102,000
	405,149	-	**405,149**	196,684

(d) Job Retention Grant from the Government

Income amount received to the Group in current financial year to 31 August 2022 was £Nil (2021: £201,631).
Income amount received to the Charity in current financial year to 31 August 2022 was £Nil (2021: £170,131).

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

2 Group Expenditure

a) Expenditure on raising funds – Group

	For the year ending 31 August 2022 £	For the year ending 31 August 2021 £
Cost of seeking donations and grants	**123,013**	189,751
Fundraising events	**66,810**	14,029
Sponsorships and lottery	**37,190**	30,491
Membership scheme	**2,900**	3,000
Other running costs	**443,067**	263,186
Depreciation	**21,670**	18,063
Marketing and publicity	**28,376**	22,492
Matchday tickets and stadium tours	**86,644**	-
	809,670	541,012

Expenditure on raising funds – Charity

	For the year ending 31 August 2022 £	For the year ending 31 August 2021 £
Cost of seeking donations and grants	**123,013**	189,751
Fundraising events	**66,810**	14,029
Sponsorships and lottery	**37,190**	30,491
Membership scheme	**2,900**	3,000
Other running costs	**34,212**	23,031
Marketing and publicity	**28,376**	22,492
Matchday tickets and stadium tours	**86,644**	-
	379,145	282,794

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

b) Expenditure by Charitable Activity - Group

	Sport and Play	World of Work	Education	Community	Health	Beacon of Light	Core	**2022**	2021
	£	£	£	£	£	£	£	**£**	£
Matchday tickets and stadium tours	18,102	1,040	7,744	258	6,560	-	-	**33,704**	-
Education	414,294	404,851	465,446	566,943	268,269	-	-	**2,119,803**	1,788,580
Depreciation and amortisation	12,575	12,575	12,575	12,575	12,575	440,913	-	**503,788**	503,666
Building[1]	141,587	119,974	137,603	166,931	58,848	-	-	**624,943**	503,932
Support costs (c)	102,103	83,393	98,652	124,040	30,482	-	197,112	**635,782**	725,951
Governance (d)	4,366	4,366	4,366	4,366	4,366	-	-	**21,830**	35,300
	693,027	**626,199**	**726,386**	**875,113**	**381,100**	**440,913**	**197,112**	**3,939,850**	3,557,429

Expenditure on charitable activities comprised of £1,149,172 unrestricted funds (2021: £945,042) and £2,790,678 restricted funds (2021: £2,612,387).

Support costs are staffing and overheads for functions such as Directors, Finance, Admin, IT and HR and are allocated based on income.

Expenditure is allocated between the restricted and unrestricted funds based on the project to which it relates; expenditure relating to the generation of unrestricted income such as the sales of sports and play coaching courses is classified as unrestricted expenditure, while expenditure relating to restricted grant funded programmes is classified as restricted expenditure.

[1] Building costs relate to the staffing and overheads associated with operating the Beacon of Light facility.

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

b) Expenditure by Charitable Activity – Charity

	Sport and Play £	World of Work £	Education £	Community £	Health £	Core £	**2022 £**	2021 £
Matchday tickets and stadium tours	18,102	1,040	7,744	258	6,560	-	**33,704**	-
Education	478,620	459,353	527,956	642,776	295,003	-	**2,403,708**	2,064,389
Depreciation and amortisation	12,575	12,575	12,575	12,575	12,575	-	**62,875**	26,370
Support cost (c)	102,103	83,393	98,652	124,040	30,482	197,112	**635,782**	725,951
Governance (d)	3,566	3,566	3,566	3,566	3,566	-	**17,830**	28,685
	614,966	**559,927**	**650,493**	**783,215**	**348,186**	**197,112**	**3,153,899**	2,845,395

Expenditure on charitable activities comprised of £622,528 unrestricted this includes exceptional item (2021: £434,493) and £2,633,662 restricted funds (2021: £2,410,902).

c) Expenditure by Support Costs – Group and Charity

	Sport and Play £	World of Work £	Education £	Community £	Health £	Core £	**2022 £**	2021 £
Administration	36,995	28,206	35,356	47,253	3,413	96,585	**247,808**	313,129
Director's	28,213	23,914	27,428	33,274	11,730	43,365	**167,924**	202,888
Finance Dept	25,163	21,329	24,463	29,677	10,462	37,451	**148,545**	127,809
HR Dept	841	712	817	991	349	3,942	**7,652**	7,826
IT Dept	10,891	9,232	10,588	12,845	4,528	15,769	**63,853**	74,299
	102,103	**83,393**	**98,652**	**124,040**	**30,482**	**197,112**	**635,782**	725,951

(d) Governance Costs - Group	**For the year ending 31 August 2022 £**	For the year ending 31 August 2021 £
Audit Fees	**22,050**	21,000
VAT Fees	**4,050**	4,050
Total Costs - Group	**26,100**	25,050

Governance costs are charged as incurred.

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

e) Exceptional item - Group

	Year ended 31 August 2022 £	Year ended 31 August 2021 £
Business rates		
Business rates relating to the period of June 2018 – August 2021	**179,905**	-

e) Exceptional item – Charity

	Year ended 31 August 2022 £	Year ended 31 August 2021 £
Business rates		
Business rates relating to the period of June 2018 – August 2021	**102,301**	-

Included within expenditure is an amount of £179,905 (Group) and £102,301(Charity) relating to rates costs for the period 1 June 2018 to 31 August 2021. This expenditure has arisen due to an arrangement that was agreed during the financial year in respect of previous accounting periods.

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

3 Group Staff Costs

	Year ending 31 August 2022 £	Year ending 31 August 2021 £
Staff costs:		
Wages and salaries	**2,241,893**	2,053,709
Social security costs	**157,212**	169,081
Other pension costs	**54,756**	72,094
Redundancy costs	-	3,000
	2,453,861	2,297,884

Two employees received total employee benefits above £60,000 for the reporting period, one at £60,000 - £70,000 & one at £90,000 - £100,000 (2021: two employees). For staff paid over £60,000 pension contributions of £8,075 were made (2021: £7,563). Key Management detailed on page 1 cumulatively received £296,066 (4 employees) in employee benefits in 2022 (2021: £230,253, 3 employees).

The Trustees are not entitled to, and did not receive, any remuneration for their services to the Charity (2021: £nil). Expenses reimbursed amounted to £nil (2021: £nil).

The Foundation has an Aviva defined contribution pension scheme which is open to all permanent employees after successful completion of their probation period. The Foundation makes a standard contribution of 3% of basic salary on behalf of the members, at a cost of £25,355 (2021: £47,233) in the year. At the year end £4,608 (2021: £4,536) in payable contributions were outstanding. The Foundation has also been required to auto-enrol all eligible employees into a pension scheme since July 2014, as such, all new employees are automatically enrolled into the NEST governmental defined contribution scheme. Employees are required to make a 5% contribution and the Foundation makes a standard contribution of 3%. The cost of the NEST scheme in 2022 was £29,816 (2021: £24,862). At the year-end there were £5,642 (2021: £5,114) payable contributions outstanding. These pension costs would be allocated as per staff costs based on project/activity allocations.

The monthly average number of persons employed by the Group and Charity during the year was 144 (2021: 127). The average number of full-time staff members was 74 (2021: 75) and those on part time and casual contracts was 70 (2021: 52). All staff are employed for the furtherance of the Charity's objectives.

Staff employed can be further analysed as follows:

	Year ending 31 August 2022 Number	Year ending 31 August 2021 Number
Delivery Staff	**105**	100
Support and Administration	**14**	9
Beacon of Light Operations	**14**	6
Commercial and Marketing	**9**	9
Directors	**2**	3
	144	127

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

4 Net outgoing resources before transfers

Net outgoing resources for the Group are stated after charging:

	Year ending 31 August 2022 £	Year ending 31 August 2021 £
Audit fee	**22,050**	21,000
Depreciation	**502,542**	521,727
Amortisation	**22,917**	-
Operating lease costs:		
- plant and machinery	**21,367**	19,937
Bank Interest	**39,023**	35,221
Non-Audit Fees for Tax Compliance services	**4,050**	4,050

£Nil depreciation was charged in the year related to leased assets (2021: £Nil).

5 Intangible assets

Charity	Website and data warehouse	Total
	£	£
Cost		
As at 1 September 2021	**20,000**	**20,000**
Additions	51,500	51,500
As at 31 August 2022	**71,500**	**71,500**
Accumulated Amortisation		
As at 1 September 2021	**556**	**556**
Charge for the Period	19,931	**19,931**
At 31 August 2022	**20,487**	**20,487**
Net book value		
At 31 August 2022	**51,013**	**51,013**
At 31 August 2021	**19,444**	**19,444**

Group	Website and data warehouse	Total
	£	£
Cost		
As at 1 September 2021	**20,000**	**20,000**
Additions	66,750	66,750
As at 31 August 2022	**86,750**	**86,750**
Accumulated Amortisation		
As at 1 September 2021	**556**	**556**
Charge for the Period	22,917	**22,917**
At 31 August 2022	**23,473**	**23,473**
Net book value		
At 31 August 2022	**63,277**	**63,277**
At 31 August 2021	**19,444**	**19,444**

6 Property, Plant and Equipment

Charity	Computer Equipment	Leasehold Buildings	Fixtures and Fittings	Total
	£	£	£	£
Cost				
As at 1 September 2021	**333,640**	**75,706**	**208,213**	**617,559**
Additions	52,149	-	18,762	70,911
As at 31 August 202	**385,789**	**75,706**	**226,975**	**688,470**
Accumulated Depreciation				
As at 1 September 2021	**270,507**	**74,668**	**207,986**	**553,161**
Charge for the Period	39,418	1,038	2,489	**42,945**
At 31 August 2022	**309,925**	**75,706**	**210,475**	**596,106**
Net book value				
At 31 August 2022	**75,864**	-	**16,500**	**92,364**
At 31 August 2021	63,133	1,038	227	64,399

Group	Computer Equipment	Freehold Buildings	Leasehold Buildings	Fixtures and Fittings	Total
	£	£	£	£	£
Cost					
As at 1 September 2020	**534,091**	**18,720,701**	**75,706**	**477,111**	**19,807,609**
Additions	52,149	-	-	24,076	**76,225**
As at 31 August 2021	**586,240**	**18,720,701**	**75,706**	**501,187**	**19,883,834**
Accumulated Depreciation					
As at 1 September 2020	**465,138**	**1,145,515**	**74,668**	**396,469**	**2,081,790**
Charge for the Period	45,153	381,316	1,038	75,036	502,543
At 31 August 2021	**510,291**	**1,526,831**	**75,706**	**471,505**	**2,584,333**
Net book value					
At 31 August 2022	**75,949**	**17,193,870**	-	**29,682**	**17,299,501**
At 31 August 2021	68,953	17,575,186	1,038	80,642	17,725,819

7 Investments

The Foundation has a wholly owned subsidiary, Altruism Limited (previously SAFC Community Limited), a company incorporated in England and Wales registration number 04303983. The purpose of the company is to operate the commercial trading at the Beacon of Light, predominantly sport facility hire, meetings and events. The net liabilities of the subsidiary as of 31 August 2022 were £1,001,722 (2021: net liabilities of £783,847).

The Foundation also has a wholly owned trading subsidiary, Beacon of Light Limited registration number 09221229, which was established in September 2014. The purpose of the company is to construct and run the Beacon of Light facility. The net liabilities of the subsidiary as of 31 August 2022 were £481,517 (2021 net liabilities of: £481,688).

Both subsidiaries share the same registered address as the Foundation of Light; Beacon of Light, Stadium Way, Sunderland, SR5 1SN.

8 Debtors

	Charity 31 August 2022 £	Charity 31 August 2021 £	Group 31 August 2022 £	Group 31 August 2021 £
Trade Debtors	**169,027**	176,099	**260,208**	239,522
Amounts due from Group undertakings	**1,300,778**	1,506,430	**-**	-
Amounts due from Sunderland AFC Ltd	**1,694**	-	**8,334**	4,295
Other Debtors	**3**	-	**10,240**	15,783
Prepayments and accrued income	**662,917**	182,512	**668,948**	192,752
	2,134,419	1,865,041	**947,730**	452,352

Amounts due from Group undertakings includes an intercompany loan of £1,015,840, of which £150,000 is due in less than one year, and £865,840 is due after more than one year. The loan is due for repayment by June 2029. Interest is charged at 3%. The remaining balance relates to recharges invoiced but not received as at year-end.

9 Creditors: amounts falling due within one year

	Charity 31 August 2022 £	Charity 31 August 2021 £	Group 31 August 2022 £	Group 31 August 2021 £
Trade Creditors	**41,481**	106,165	**374,069**	439,808
Amounts due to Sunderland AFC Ltd	**42,969**	749	**42,969**	749
Other Creditors	**76,124**	64,371	**66,213**	64,404
Amounts due to Group undertakings	**75,624**	389,508	**-**	-
Accruals and deferred income	**529,800**	223,851	**629,382**	264,524
Charity Bank Loan	**25,600**	-	**25,600**	-
	791,598	784,644	**1,138,233**	769,485

Amounts due to Group undertakings are unsecured, have no interest and are repayable on demand.

Deferred income can be further analysed as follows:

	Charity for the year ending 31 August 2022	Charity for the year ending 31 August 2021	**Group for the year ending 31 August 2022**	Group for the year ending 31 August 2021
	£	£	£	£
Balance brought forward	**152,293**	316,816	**230,734**	371,618
Recognised in year	**2,632,490**	2,672,038	**2,707,264**	2,710,778
Released in year	**(2,427,126)**	(2,836,561)	**(2,551,867)**	(2,851,662)
Balance carried forward	**357,657**	152,293	**386,131**	230,734

Income is deferred based on the calendar period the activity takes place.

10 Creditors: amounts falling due after one year

	Charity 31 August 2022	Charity 31 August 2021	**Group 31 August 2022**	Group 31 August 2021
	£	£	£	£
Charity Bank Loan	**1,074,400**	1,100,000	**1,074,400**	1,100,000

The primary external finance of the Group is the loan due to the Charity Bank which has an outstanding balance of £1,100,000 as of 31 August 2022. The loan agreement has been updated post year-end and monthly capital and interest repayments commence February 2023 with the final repayment due January 2038. Interest is charged at 3% above the Bank of England rate. This loan now only has one covenant attached which is a cash covenant in comparison to the previous three covenants.

11 Analysis of Net Assets

Charity

Fund balances at 31 August 2022 are represented by:	Unrestricted	Restricted	**Total**
	£	£	**£**
Tangible Fixed Assets	-	143,377	**143,377**
Investments	-	2	**2**
Net Current Assets	1,182,256	1,091,600	**2,273,856**
Creditors: amounts falling due after one year	-	(1,074,400)	**(1,074,400)**
Total funds	1,182,256	160,579	**1,342,835**

The funds can be further analysed as follows:

	1 September 2021	Income	Expenditure	Transfers	**31 August 2022**
	£	£	£	£	**£**
General funds	1,031,238	1,333,408	(1,001,673)	(231,079)	**1,131,894**
Designated funds					
Contingency fund	50,362	-	-	-	**50,362**
Total designated funds	50,362	-	-	-	**50,362**
Total unrestricted funds	1,081,600	1,333,408	(1,001,673)	(231,079)	**1,182,256**
Restricted funds:					
Education	-	478,929	(549,287)	70,358	-
World of Work	-	542,791	(538,547)	(1)	**4,243**
Sport and Play	-	229,299	(308,491)	79,192	-
Community	258,609	639,805	(742,078)	-	**156,336**
Health	-	262,049	(343,579)	81,530	-
Core	-	151,680	(151,680)	-	-
Total restricted funds	258,609	2,304,553	(2,633,662)	231,079	**160,579**
Total funds	1,340,209	3,637,961	(3,635,335)	-	**1,342,835**

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

11 Analysis of net assets (continued)

Group

Fund balances at 31 August 2022 are represented by:	Unrestricted	Restricted	**Total**
	£	£	**£**
Tangible Fixed Assets	-	17,362,778	**17,362,778**
Net Current Assets	190,164	911,619	**1,101,783**
Creditors: amounts falling due after 1 year	-	(1,074,400)	**(1,074,400)**
Total funds	190,164	17,199,997	**17,390,161**

The funds can be further analysed as follows:

	31 August 2021	Income	Expenditure	Transfers	**31 August 2022**
	£	£	£	£	**£**
General funds	194,366	2,031,365	(2,138,747)	52,818	**139,802**
Designated funds					
Contingency fund	50,362	-	-	-	**50,362**
Total designated funds	50,362	-	-	-	**50,362**
Total unrestricted funds	244,728	2,031,365	(2,138,747)	52,818	**190,164**
Restricted funds:					
Education	-	478,929	(486,777)	7,848	-
World of Work	-	542,791	(484,046)	(54,502)	**4,243**
Sport and Play	-	229,299	(244,172)	14,873	-
Community	258,609	639,805	(666,245)	(75,833)	**156,336**
Health	-	262,049	(316,845)	54,796	-
Core	-	151,680	(151,680)	-	-
Beacon of Light	17,430,332	49,999	(440,913)	-	**17,039,418**
Total restricted funds	17,688,941	2,354,552	(2,790,678)	(52,818)	**17,199,997**
Total funds	17,933,669	4,385,917	(4,929,425)	-	**17,390,161**

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

11 Analysis of Net Assets (continued)

During the year, transfers were made between unrestricted and restricted funds to cover overspends that had occurred on certain restricted funds. Due to covid some restricted funds have been rolled forward between financial years and we have no indication of any claw backs to date. There have also been some transfers between restricted funds, the Sport and Play department are partially funded by restricted grant income from Trusts and Foundations; however, the majority of funding is from unrestricted funds, particularly trading income from the delivery of courses. Community, Core, Health, Education and World of Work projects are mainly funded by grants from Trust and Foundations, corporate funding and Public Sector contracts; the balance is funded from unrestricted funds.

A description of each restricted fund is given below:

Education	Includes Post 16 Football Scholarship and, secondary education projects.
World of Work	Family Learning programmes (based in Durham, Sunderland, and South Tyneside) and employability courses.
Sport and Play	Community football teams, the Regional Talent Club and in and out of curriculum coaching in Durham, Sunderland, and South Tyneside.
Health	Includes suicide prevention, physical and mental health projects, over 55s and veterans' delivery sessions, and the Coal to Goals project.
Community Inclusion	Youth Engagement activity and disability projects.
Beacon of Light	Grant funding received for the construction of the Beacon of light facility, funding capital expenditure on the project and the depreciation charges on the build.
Core	Digital, including the website and E-Learning platform.

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

12 Financial Commitments

Operating lease commitments

At 31 August the Group had total commitments under non-cancellable operating leases, as follows:

	31 August 2022			31 August 2021		
Group	**Land and buildings**	**Other**	**Total**	Land and buildings	Other	Total
	£	£	£	£	£	£
Within one year	-	**4,784**	**4,784**	-	13,986	13,986
Between one to five years	-	**12,757**	**12,757**	-	17,541	17,541
Total	-	**17,541**	**17,541**	-	31,527	31,527

13 Related Party Transactions

During the year the Club provided many services to the Foundation. The Foundation received quantifiable gifts in kind from Sunderland AFC Limited of £120,348 (2021: £nil). Gifts included match tickets for both staff and participants as well as use of certain areas of the Stadium for tours etc.

Details of the Foundation's relationship with the Club can be found on page 5 of the Trustees' report.

The Foundation continues to sponsor an Alternative Provision Free School, Beacon of Light School, which received its first intake of pupils in September 2017. Lesley Spuhler OBE (Chief Executive) is a Member of Beacon of Light School and James Wright (Managing Director) is a school governor. Income, being recharges of invoices and services in the year totalled £114,498 (2021: £112,874) with outstanding balances at the year end of £18,965.

The Foundation received donations from Trustee's in the year of £nil (2021: £nil).

FOUNDATION OF LIGHT

England & Wales - Charity number 1089333

Accounts

Foundation of Light (a Company Limited by Guarantee)
Consolidated Annual Report and Financial Statements
for the year ended 31 August 2021

Registered Charity Number: 1089333

Registered Company Number: 04243171

Foundation of Light

Annual Report and Consolidated Financial Statements for the year ended 31 August 2021

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Foundation of Light

Trustees and Advisers for the year ended 31 August 2021

Trustees
Sir Bob Murray CBE - Chair of Trustees
The Baroness Estelle Morris - Vice Chair of Trustees
Kathryn Adie OBE
Sir Timothy Miles Bindon Rice
George Clarke
Stephen Cram CBE - Treasurer
The Baroness Estelle Morris - Vice Chair of Trustees
The Hon. James Ramsbotham CBE
Baroness Tanni Carys Davina Grey-Thompson
Kyril Robert Leonid Louis-Dreyfus (appointed 20th July 2021)
Martin Hibbert (appointed 9th December 2021)
Stewart James Donald (resigned 17th May 2021)
Nathan O'Brien (resigned 20th October 2021)
Paul David Collingwood MBE (resigned 13th December 2021)

Key Management

Lesley Spuhler OBE	Chief Executive
James Wright	Managing Director
Paul Wright	Director of Finance and Support Services (resigned 9th April 2021)
Ciaron Meik	Financial Controller (as of 1st September 2021)

Registered Office
Beacon of Light
Sunderland
SR5 1SN

Banker
Barclays Bank PLC
53 Fawcett Street
Sunderland
SR1 1SD

Independent Auditor
RSM UK Audit LLP
Chartered Accountants
1 St. James' Gate
Newcastle upon Tyne
NE1 4AD

Legal Advisor
Ward Hadaway
102 Quayside
Newcastle upon Tyne
NE1 3DX

Foundation of Light

Chairman's Statement

I am pleased to share another outstanding Annual Report in what has been a very special year for the Foundation of Light. 2021 saw us mark our 20th birthday, and in February we launched FoL 20 with our Royal Patron, Her Royal Highness the Countess of Wessex. It really is astonishing to see how far we have come over the last two decades, and I am so proud of everything that the team have achieved.

In 2001, I was fortunate enough to be the Chair of Sunderland Association Football Club. It is no ordinary club; it is ingrained into the region's DNA and is a huge source of pride to the people of Sunderland and beyond. This year we were delighted to welcome new owner Kyril Louis-Dreyfus to our Board of Trustees.

As a custodian of this great club, I recognised that win, lose or draw Sunderland AFC could inspire and change lives. It could make a real and positive difference to its community, using the power of football to change people's lives for the better. That platform gave us the chance to build this unique charity and do just that, creating a long-lasting legacy of opportunity.

COVID-19 Pandemic

We all hoped that COVID would not follow us into a new year and although it has deeply affected the Foundation and its community, we did not let it define our resilience or performance. We proudly still worked with almost 20,000 local people: almost 150,000 face-to-face hours alongside our online learning activities.

The pandemic has changed our society; having a far greater impact on those who live with inequality, ill health and deprivation. In response, we doubled our efforts to do more for those who needed it most across Sunderland, South Tyneside and County Durham by offering 'garden gate' visits and food parcels to over 55s, delivering a virtual youth service and creating safe spaces where people could meet.

Sadly now, the education and employment gap has become ever deeper, and many are further away from re-joining the workplace than ever before, in many cases more likely to experience poorer mental or physical health, meaning a far greater challenge for them to get back on track. Now more than ever before, the Foundation matters.

The impact of Covid lockdowns continued to have a significant detrimental impact on the commercial activities undertaken within the Beacon of Light facility but thanks to some amazing benefactors we were able to finish the financial year in a strong position and look forward to strengthening and growing in the coming months.

2021 Results

I never imagined what an amazing journey we would go on and the impact we would make, not just within our great region but across the country; our 2021 results are testament to this.

Our financial performance for the year reflects the challenge of adapting to the new world but paints a positive picture, despite the unprecedented trading position that we and many other charities and small businesses find ourselves in, the Group reported an EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortisation) of £234,012 for the year.

Foundation of Light

The Group's net assets are £17,933,669 in 2021 of which unrestricted reserves have risen to £244,728 and the Charity reserve funds have risen to £1,340,209 in 2021, of which £1,081,600 is unrestricted, compared to £958,284 in 2020 thereby retaining a position ahead of the £750,000 unrestricted policy that we adopted for the charity. The Group's unrestricted policy is set at £1,000,000 therefore still working towards the set target.

Intercompany debt has been reviewed at the end of the period and it has been agreed that this will be repaid over seven years with an interest charge attached where appropriate.

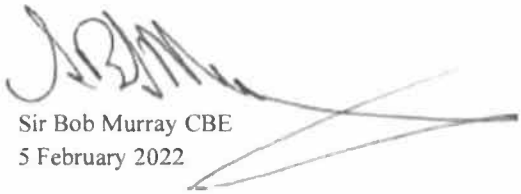
Capital repayments of £100k have been made against the Charity Bank loan that has decreased the outstanding amount to £1.1 million.

We must of course give huge thanks to those generous donors who supported us in ensuring we could continue delivering front-line services, especially our generous private large-scale donors. However, every penny counts, and I want to take this opportunity to offer gratitude to everyone who has supported us this year and over the last two decades.

It is the people that are inspiring, and I am in awe every day watching the difference the Foundation staff make. They are incredibly special people who show immense commitment and pride in their work; tackling societal issues and ensuring we continue to support those in our communities who need our help to make the most of themselves. I am proud to say, this has been recognised nationally this year through the winning of five awards including the Your Move EFL Community Club of the Year in the Northeast and Yorkshire.

Subsequent Events

Since the year end, we have secured the generous support of some new donors that will see the Foundation receive more than £1.2million additional funds in the coming years. We have strengthened our subsidiary Boards with new skills and personalities that will assist us in realising our business plan, and as the Beacon building returns to full operation, we again look forward to welcoming thousands through the doors each week. We are currently undergoing a governance review that will identify areas for improvement to help us meet our compliance and reporting requirements, while also driving strategy and performance. We are excited to strengthen our partnership with South Tyneside MBC. There is much to be optimistic about.



Sir Bob Murray CBE
5 February 2022

Foundation of Light

Trustees' Report for the year ended 31 August 2021

The Trustees are pleased to present their annual report together with the audited financial statements of the Charity and Group for the year ended 31 August 2021. This report includes the information required to satisfy the company law requirements to present a Strategic Report and a Directors' Report.

Structure, Governance and Management

Governing Document

Foundation of Light is a company limited by guarantee, governed by its Memorandum and Articles of Association dated November 2001. The liability of the Trustees for the debts and liabilities of the company is limited, and in the event of the company being wound up, would not exceed £1. It is registered as a charity with the Charity Commission (registered number 1089333), with two subsidiaries - Altruism Limited (registered number 04303983) date of incorporation 12th Oct 2001 and is governed by its memorandum and articles dated 12th Oct 2001 and updated on the 24th Oct 2014 also Beacon of Light (registered number 09221229) date of incorporation 16th Sept 2014 and is governed by its memorandum and articles dated 16th Sept 2014.

Appointment of Trustees

As set out in the Articles of Association, Trustees are invited to join the Board, however full-time/part time staff members of Foundation of Light are not eligible. From time-to-time nominees may be invited to become friends of the Foundation or honorary members. Sunderland AFC Limited ('the Club') can appoint one Trustee. At the Annual General Meeting one third of Trustees shall resign by rotation and are then eligible to be re-appointed if nominated.

Trustee Induction and Training

New Trustees receive an induction pack that includes the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the Charity. Trustees are encouraged to attend appropriate external training events to assist them in the undertaking of their role.

Organisation

The Board of Trustees, which shall include no less than six members and not more than twelve, administers the Charity. The Board meets at least four times a year and there are sub-committees covering Audit and Risk (comprises four committee members, three independents to review the integrity of the financial statements, advise on and oversee risk, and appoint external audit; where appropriate making recommendations to the Trustees), Nominations and Remuneration, and Education and Skills which meet more regularly. A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the Charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance, employment, education, skills and sport related activity. Administrative details for the charity, its Trustees, and advisors, are detailed on page 1.

Trustees' Report for the year ended 31 August 2021 (continued)

Related Parties

Although Foundation of Light is structurally and financially independent from Sunderland AFC ("the Club"), the Club supports its own registered charity in many ways, not least through its gifts in kind such as match day tickets, prime accommodation, and auction prizes. The Foundation continues to sponsor an Alternative Provision Free School, Beacon of Light School, which resides as a tenant of the Beacon of Light facility in Sunderland.

Key Management Pay

The pay of all staff including key management is banded in salary grades dependent on their role. Each grade is reviewed regularly and compared to similar roles in the sector. Revisions to pay grades are included in the annual budget setting process and a recommendation is made to Trustees on the level of pay increases to be awarded. The Trustees delegate the approval process to the Nominations and Remunerations Committee who have the final say in the pay awards granted for the year.

Risk Management

The Trustees have a risk management strategy which comprises:

- An annual review of the risks the Group may face;
- The establishment of systems and procedures to mitigate those risks identified in the plan; and
- The implementation of procedures designed to minimise any potential impact on the Charity should those risks materialise.

This work has identified a few major risks which has resulted in improved procedures and contingency plans and has given the impetus for better planning. Particular attention is focused on non-financial risks arising from working with young people such as safeguarding and health and safety. A key element in the management of financial risk is the setting of a regular review through the Audit and Risk Committee and Executive Team. Changes in both the political and economic climate are identified as major risks in this risk assessment.

Principal Risks and Uncertainties

The Foundation will always face business risks; however, the Trustees have taken steps to mitigate these as far as possible. Reviews are undertaken by the Audit and Risk Committee and the Board of Trustees. Risks identified include:

COVID-19 Pandemic

COVID-19 has impacted all our lives and major risks have included the health and safety of staff and participants and financial losses due to reduced programmes and building closure. As a result, business continuity plans were updated, policies and procedures refreshed, and a new COVID-19 specific operational risk assessment completed; all of which continue to be reviewed as legislation and guidance changes and should there be a return or variant of the pandemic.

Financial Risks

With continued success comes the pressure for growth and expansion. In developing the Beacon of Light facility space has been provided for Sport and Play facilities, World of Work delivery and an Alternative Provision Free School. With such a level of expansion comes the risk of being unable to raise adequate funds to run the building

and turn an operating profit. Current actions to help manage these risks include new Director appointments to the Group of Companies, the execution of a new business plan and the recruitment of experienced staff and consultants to support activities.

Compliance Risks

Delivery teams, due to the nature of the Foundation's mission, work within the disadvantaged communities which we aim to help. The compliance risks have increased due to the operation of the Beacon of Light facility and an increase in number of new staff and volunteers. Risks are in the areas of Health and Safety, Safeguarding and Data Protection:

- Comprehensive health and safety policies are in place to protect staff; regular safety audits are conducted, and expert consultants are utilised where needed. Regular training is in place for staff and a Health and Safety Committee is in operation.

- Whilst the Foundation has always been mindful of data protection legislation, changes in regulations due to GDPR (General Data Protection Regulation) mean more robust policies and procedures are required. Action plans have been developed, policies reviewed, and a new training programme put in place.

- The Foundation has robust Safeguarding procedures to ensure compliance with local and national agendas. Policies and procedures are in place alongside a Safeguarding assurance framework which is quality checked by the Education and Skills Advisory Committee and reported to the Trustees by the Committee Chair, Baroness Estelle Morris. A safeguarding audit is currently underway.

- The Foundation has a Business Continuity Plan should any out-of-control factors impact the business; this was updated in line with the pandemic.

Loss of Key Personnel

The threat of losing key people with specialist knowledge, skills, history, and expertise is a risk. Staff turnover has increased, and a new study has been commissioned to improve recruitment and retention. Benefits and training opportunities will be reviewed, annual staff surveys carried out, an active culture working Group (represented by staff) meets regularly; whilst requiring staff to give adequate notice periods to ensure there are no gaps in the Foundation's ability to deliver services. The Trustees are in the process of a Governance review that includes succession planning for Board members.

Achievements and Performance

Overview

We have continued to work not only in the Beacon of Light, but outreach in schools, community centres and playing fields in some of the most deprived communities, delivering over 40 programmes in areas of education and skills, health and wellbeing, inclusion, and sport and play.

This has included over 1,000 participants with a disability, 44% girls and women, 100 plus veterans and over 800 socially isolated people.

We have worked alongside over 200 businesses in our network to provide opportunities such as real-life learning and work experience for participants. We have also delivered over 4,000 volunteer hours supporting charitable causes and young people's social action projects.

Foundation of Light

Over 2,000 befriending calls have been made, 58 vulnerable youngsters mentored, over 7,000 food parcels delivered to the elderly and through children's holiday hunger programmes, and our qualification schemes attendance rate is at 92%, whilst retention stands at 96%.

At a time when public funding is under-pressure, for every £1 spent we have saved the public purse £39, supporting critical frontline community services.

Innovation

Continuing to provide long-standing and proven programmes remains vital but new innovations are also important. This year we are especially proud of:

- The range and diversity of our new health interventions. These include tackling depression and anxiety, social prescribing, quit smoking campaigns and suicide prevention programmes through new and renewed partnerships with the Northeast Suicide Prevention Network and the NHS.
- The commencement of our National Lottery funded Heritage project 'Coals to Goals' that will use a history trail around Stadium Park and wellbeing activities to create intergenerational stimulation
- Increased education and skills activities including embedding STEAM in schools through Sphero robot coding activities, the introduction of an e-learning platform that can be used for not only learners, but also employee training, and the introduction of new qualifications in social care, hospitality, and construction.
- Our quality youth diversionary initiatives include an e-gaming suite and digital skills study programme, social action projects and a youth forum that has over 40 members
- Important behind the scenes improvements that will enable us to continue to improve, such as the partnership with MMC research designed to enhance customer engagement, and our Impact Framework that will now enable us to better tell our stories around six key outcomes such as 'being the best me' and 'having a role in life'.

Collaborations

Over £3.5 million was raised from valued partners and supporters including grants from government, local authorities, associations and foundations, and gifts from individuals.

We were delighted to continue our partnerships with the Harrison Centre for Social Mobility, the University of Sunderland, the Vardy Foundation, NHS, ScS and Northumbrian Water. Whilst exciting new relationships were entered into with the Military Preparation College, Sunderland College, Roseline Foundation, Together for Children, Barclays and New College Durham.

This year the Foundation supported a variety of campaigns including Rainbow Laces; Autism Awareness; World Suicide Prevention Day; World Mental Health Day; LGBTQ+ History Month; Black History Month; and South Asian Heritage Month

The amazing SAFC supporters 'Sunderland Together' initiative raised over £170,000 from the proceeds of virtual Wembley tickets that went on to fund four local charities.

It is important to note that the Foundation follows the Fundraising Code of Conduct that ensures professional conduct, competence, and confidentiality. We monitor fundraising campaigns, and ensure that the public, including vulnerable people, are protected through these standards.

Investment Procedures and Policy

At the present time, the reserves of Foundation of Light are held on interest bearing cash deposits in order to meet on-going liquidity requirements. The Trustees have powers to invest the funds as they see fit, as set out in the Memorandum and Articles of Association.

Foundation of Light

Reserves Policy

The total annual running costs of Foundation of Light (Group), assuming current programmes continue, are expected to be £3.9 million (excluding Gift in Kind). A substantial proportion of the running costs will be met by future grants and contracts which are expected to be received, subject to certain conditions of performance in addition to fundraising activities. The aim is to sustain enough unrestricted reserves to meet three months running costs of Group and the Charity estimated at £1 million and £0.75million. As at the 31 August 2021 the Group unrestricted reserves are £244,728, a robust business plan has been put in place to work towards building the reserves to the set target now COVID restrictions have lifted and trading as normal can recommence. Charity unrestricted reserves as of 31 August 2021 are £1,081,600 of which £50,362 are designated funds therefore free reserves are £1,031,238 retaining a position ahead of target. Free reserves for the Group as at 31 August 2021 are £194,366.

Plans for Future Years

The sole purpose of the Foundation of Light is to create better opportunities, and consequently better lives. At a time when COVID- 19 has affected everyone, austerity measures are impacting the most deprived areas of the Northeast, anti-social behaviour is on the rise and life expectancies are falling, now more than ever, the Foundation matters.

We will continue to use our position as an unparalleled route into traditionally hard to reach communities, involving, educating, and inspiring. Our history, tradition and culture provides an important platform to future development with new priorities established around health, young people, and the world of work including the care sector, manufacturing, construction and digital.

We will continue to drive positive change within the Foundation and as we to look forward to the next five years, we will be focusing on:

1. Making every contact count with three million hours of meaningful engagement. We want to make a real and positive difference to the lives of thousands focusing on the outcome to the individual or family, rather than the output. We have always worked with those who have the greatest need and COVID-19 has strengthened that focus with communities across the region needing our support more than ever before.
2. Continue to create a vibrant and sustainable Beacon of Light - prior to lockdown, the Beacon of Light was a real community anchor, the heartbeat of the community with more than 7,000 people a week coming through our doors to play, learn and grow. COVID-19 has impacted our business, but it is beginning to grow again. Still too many people don't understand that the Beacon is a place for them, a place where we bring our programmes to life. It is also our engine – bringing in much needed income for the charity to plough back into meaningful engagement that improves the lives of so many across the Northeast.
3. Be the best in our field - we want to be the best we can be, and we have a rich heritage of leading the way amongst our football community peers. By delivering meaningful contact hours and engagement, putting our customers and participants at the heart of everything we do and improving the quality of our work we are well on the way to accomplishing our aim of being amongst the best football foundations across the globe.

Over the next year we are working on some key projects to support our achievement of these outcomes. We are re-vamping our whole digital estate, implementing a new data management warehouse and processes which will support refreshed websites for the Foundation and the Beacon, which have improved user journeys, to put their needs at the heart of our digital innovation.

Foundation of Light

Over the next year we are seeking partners to support a re-development of the front of the Beacon, creating a new experiential space for the local community to exercise, play, learn and develop.

Results for the year

The Group results for the year ended 31 August 2021 show net expenditure of £322,936 against net income of £135,393 for the previous year. The performance reflects the challenges the group has faced as a result of the pandemic as well as wider economic challenges.

Income for the year was £3,775,505 (2020: £4,374,585) reflecting reductions in donations, charitable activities, government support and trading activities within the Beacon. The Group partly mitigated against the reduced income by tightly controlling expenditure on fundraising and charitable activities. The resulting expenditure for the year was £4,098,441: a reduction of £140,751 against 2020.

Despite the trading result for the year, the reserves of the Group remain strong with funds carried forward of £17,933,669 of which unrestricted funds represent £244,728 (2020: £194,512). The reserves for the charity have increased over the year to £1,340,209 (2020; £962,732) of which £1,081,600 are unrestricted and comfortably exceeding the minimum target of £750,000 set out in the reserves policy.

Adjusting for depreciation and other non-cash items, the Group generated £145,481 (2020: £1,373,331) of cashflows from operating activities in the year, of which it invested £80,179 on new computer systems and software to strengthen operational and financial controls and reporting, and voluntarily early repaid external debt of £100,000. After interest on loans of £35,221 and the purchase of fixtures and fittings of £6,137, the Group's cash and cash equivalents reduced by £76,057 over the year to £1,605,539, a healthy financial position to carry forward into 2022.

Going Concern

The financial statements have been prepared on a going concern basis, notwithstanding that the Group has reported 2021 net expenditure of £322,936 (2020: net income of £135,393) and 2021 net cash outflows of £76,057 (2020: cash inflows of £1,099,090). The Group year-end balance sheet for 2021 has net current assets of £1,288,406 (2020: net current assets of £1,275,932) including cash at bank of £1,605,539 (2020: £1,681,596).

The primary external finance of the Group is the loan due to the Charity Bank which has an outstanding balance of £1,100,000 as of 31 August 2021. Interest on the loan is payable monthly, no capital repayments are required until May 2023. This loan has three covenants attached, based on interest cover, debt service and loan to value, all measured annually at the end of the financial year.

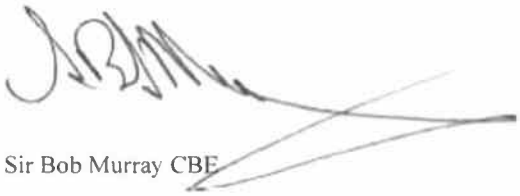
Management have prepared a cash flow forecast for the period ending 31 January 2023 which has been used as their basis of assessing the going concern basis of preparation.

Based on the forecasts to August 2022, the Charity is expected to meet bank covenants on 31 August 2022.

Foundation of Light

The Trustees are confident that the company and Group will have sufficient funds to continue to meet its liabilities as they fall due and for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

On behalf of the Trustees



Sir Bob Murray CBE 5 February 2022

Foundation of Light

Statement of Responsibilities of the Trustees of Foundation of Light in respect of the Trustees' Annual Report and the Financial Statements

The Trustees, who are also the Directors of Foundation of Light for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the charitable Group 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Foundation of Light

Independent auditor's report to the members of Foundation of Light Limited

Opinion

We have audited the financial statements of Foundation of Light Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2021 which comprise the Group and Company Statement of Financial Activities, the Group and Company Balance Sheets, the Group and Company Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the groups and the parent charitable company's affairs as of 31 August 2021 and of the group's 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 group and parent 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 groups or parent 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 other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report, or the Strategic Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 12, 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 groups and parent 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 group or parent 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operates in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011 and the parent charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, evaluating advice received from external advisors and inspecting correspondence and minutes.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety, UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The Group audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and reviewing transactions around the year end to consider if the income is recorded in the correct period.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Lucy Robson

LUCY ROBSON (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

22/02/22

Foundation of Light

Company Statement of Financial Activities for the year ended 31 August 2021 (including Income and Expenditure account)

	Note	Unrestricted funds	Restricted funds	Total funds 31 August 2021	Total funds 31 August 2020
		£	£	£	£
Income from:					
Donations and legacies	1a	452,244	-	**452,244**	812,607
Charitable activities	1b	363,045	2,323,562	**2,686,607**	2,705,043
Other trading activities	1c	196,684	-	**196,684**	203,026
Job Retention Grant from Government	1d	170,131	-	**170,131**	293,334
Total Income		**1,182,104**	**2,323,562**	**3,505,666**	4,014,010
Expenditure on:					
Raising funds	2a	282,794	-	**282,794**	249,332
Charitable activities	2b	434,493	2,410,902	**2,845,395**	2,852,308
Total Expenditure		**717,287**	**2,410,902**	**3,128,189**	3,101,641
Net (expenditure)/income		**464,817**	**(87,340)**	**377,477**	912,370
Transfers between funds	11	(341,501)	341,501	-	-
Net movement in funds		**123,316**	**254,161**	**377,477**	912,371
Total funds brought forward		**958,284**	**4,448**	**962,732**	50,362
Total funds carried forward		**1,081,600**	**258,609**	**1,340,209**	962,733

All gains and losses recognised in the year are included in the Statement of Financial Activities.

All income and expenditure are derived from continuing activities.

There is no difference between the net incoming resources shown above and their historical cost equivalents.

Foundation of Light

Company Balance Sheet as at 31 August 2021

	Note	31 August 2021	31 August 2020
		£	£
Fixed assets			
Intangible assets	5	**19,444**	-
Property, Plant and Equipment	6	**64,399**	30,031
Investments	7	**2**	2
Total fixed assets		**83,845**	30,033
Current assets			
Debtors	8	**1,865,041**	1,639,591
Cash at bank and in hand		**1,275,967**	1,025,037
Total current assets		**3,141,008**	2,664,628
Creditors: amounts falling due within one year	9	**(784,644)**	(531,929)
Net current assets		**2,356,364**	2,132,699
Total assets less current liabilities		**2,440,209**	2,162,732
Creditors: amounts falling due after more than one year	10	**(1,100,000)**	(1,200,000)
Net assets		**1,340,209**	962,732
The funds of the charity:			
Restricted income funds	11	**258,609**	4,448
Unrestricted income funds			
General funds	11	**1,031,238**	907,922
Designated funds	11	**50,362**	50,362
Total unrestricted income funds		**1,081,600**	958,284
Total charity funds		**1,340,209**	962,732

The financial statements on pages 16 to 42 were approved by the Trustees on 5 February 2022 and were signed on their behalf by:

Sir Bob Murray CBE
Trustee

Foundation of Light

Consolidated Statement of Financial Activities for the year ended 31 August 2021 (including Income and Expenditure account)

	Note	Unrestricted funds	Restricted funds	Restricted Fixed Asset funds	Total funds 31 August 2021	Total funds 31 August 2020
		£	£	£	£	£
Income from:						
Donations and legacies	1a	452,244	-	47,000	**499,244**	872,489
Charitable activities	1b	363,045	2,323,562	-	**2,686,607**	2,705,043
Other trading activities	1c	388,023	-	-	**388,023**	476,121
Investments		-	-	-	-	-
Job Retention Grant from Government	1d	201,631	-	-	**201,631**	320,932
Total Income		**1,404,943**	**2,323,562**	**47,000**	**3,775,505**	4,374,585
Expenditure on:						
Raising funds	2a	541,012	-	-	**541,012**	598,584
Charitable activities	2b	945,042	2,135,091	477,296	**3,557,429**	3,640,608
Total Expenditure		**1,486,054**	**2,135,091**	**477,296**	**4,098,441**	4,239,192
Net (expenditure)/income		**(81,111)**	**188,471**	**(430,296)**	**(322,936)**	135,393
Transfers between funds	11	131,327	(131,327)	-	-	-
Net movement in funds		**50,216**	**57,144**	**(430,296)**	**(322,936)**	135,393
Total funds brought forward		**194,512**	**201,465**	**17,860,628**	**18,256,605**	18,121,212
Total funds carried forward		**244,728**	**258,609**	**17,430,332**	**17,933,669**	18,256,605

All gains and losses recognised in the year are included in the Statement of Financial Activities.

All income and expenditure are derived from continuing activities.

There is no difference between the net incoming resources shown above and their historical cost equivalents.

Outturn for the year	*31 August 2021* £	*31 August 2020* £
Net (expenditure)/income	***(322,936)***	*135,393*
Depreciation and amortisation charges	***521,727***	*535,554*
Interest payable	***35,221***	*45,781*
EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortisation)	***234,012***	*716,728*

Foundation of Light

Consolidated Balance Sheet as at 31 August 2021

	Note	31 August 2021	31 August 2020
		£	£
Fixed assets			
Intangible assets	5	**19,444**	-
Property, Plant and Equipment	6	**17,725,819**	18,180,673
Total fixed assets		**17,745,263**	18,180,673
Current assets			
Debtors	8	**452,352**	535,581
Cash at bank and in hand		**1,605,539**	1,681,596
Total current assets		**2,057,891**	2,217,176
Creditors: amounts falling due within one year	9	**(769,485)**	(941,245)
Net current assets		**1,288,406**	1,275,932
Total assets less current liabilities		**19,033,669**	19,456,605
Creditors: amounts falling due after more than one year	10	(1,100,000)	(1,200,000)
Net assets		**17,933,669**	18,256,605
The funds of the group:			
Restricted funds			
Restricted Fixed Asset Funds	11	**17,430,332**	17,860,628
Restricted Income Funds	11	**258,609**	201,465
Total restricted funds		**17,688,941**	18,062,093
Unrestricted funds			
General funds	11	**194,366**	144,150
Designated funds	11	**50,362**	50,362
Total unrestricted funds		**244,728**	194,512
Total group funds		**17,933,669**	18,256,605

The financial statements on pages 16 to 42 were approved by the Trustees on 5 February 2022 and were signed on their behalf by:

Sir Bob Murray CBE
Trustee

Foundation of Light

Company Cashflow for the year ended 31 August 2021

	For the year ending 31 August 2021	For the year ending 31 August 2020
	£	£
Net cashflows from by operating activities:	**466,331**	663,541
Cashflows from investing activities:		
Purchase of property, plant, equipment and intangible assets	**(80,180)**	(9,042)
Net cash used in investing activities	**(80,180)**	(9,042)
Cashflows from financing activities:		
Loan Repayments	**(100,000)**	(149,000)
Interest paid on borrowings	**(35,221)**	(106)
Net cash used in financing activities	**(135,221)**	(149,106)
Change in cash and cash equivalents in the period	**250,930**	505,393
Cash and cash equivalents at the beginning of the period	**1,025,037**	519,644
Cash and cash equivalents at the end of the period	**1,275,967**	1,025,037

Reconciliation of net movement in funds to net cashflows from operating activities:		
Net movement in funds	**377,477**	912,371
Adjustments for:		
Depreciation and amortisation charges	**26,369**	13,220
Interest payable	**35,221**	106
(Increase)/decrease in debtors	**(225,450)**	266,889
Increase/(decrease) in creditors	**252,714**	(529,045)
Net cashflows from operating activities	**466,331**	663,541

Foundation of Light

Consolidated Cashflow for the year ended 31 August 2021

	For the year ending 31 August 2021	For the year ending 31 August 2020
	£	£
Net cashflows from by operating activities:	**145,481**	1,373,331
Cashflows from investing activities:		
Purchase of property, plant and equipment	**(86,317)**	(79,460)
Net cash used in investing activities	**(86,317)**	(79,460)
Cashflows from financing activities:		
Loan Repayments	**(100,000)**	(149,000)
Interest paid on borrowings	**(35,221)**	(45,781)
Net cash used in financing activities	**(135,221)**	(194,781)
Change in cash and cash equivalents in the period	**(76,057)**	1,099,090
Cash and cash equivalents at the beginning of the period	**1,681,596**	582,505
Cash and cash equivalents at the end of the period	**1,605,539**	1,681,596
Reconciliation of net movement in funds to net cashflows from operating activities:		
Net movement in funds	**(322,936)**	135,393
Adjustments for:		
Depreciation and amortisation charges	**521,727**	535,554
Interest payable	**35,221**	45,781
Decrease/(increase) in debtors	**83,229**	866,937
Decrease in creditors	**(171,760)**	(210,334)
Net cashflows from operating activities	**145,481**	1,373,331

Foundation of Light

Accounting Policies

The Group financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006, applicable accounting standards in the United Kingdom, including the Statement of Recommended Practice: Accounting and Reporting by Charities 2015 (SORP) and the Charities Act 2011. The accounts have been prepared on a going concern basis and the accounting policies have been applied consistently.

Basis of Consolidation

The Group financial statements consolidate the results of the Charity and its wholly owned subsidiaries, Beacon of Light Limited and Altruism Limited using accounting policies consistently applied across the Group, and after eliminating intra-Group transactions.

Going Concern

The financial statements have been prepared on a going concern basis, notwithstanding that the Group has reported 2021 net expenditure of £322,936 (2020: net income of £135,393) and 2021 net cash outflow of £76,057 (2020: cash inflows of £1,099,090). The Group year-end balance sheet for 2021 has net current assets of £1,288,406 (2020: £1,275,932) including cash at bank of £1,605,539 (2020: £1,681,596).

The primary external finance of the Group is the loan due to the Charity Bank which has an outstanding balance of £1,100,000 as of 31 August 2021. Interest on the loan is payable monthly, no capital repayments are required until May 2023. This loan has three covenants attached, based on interest cover, debt service cover and loan to value, with each measured annually at the end of the financial year.

Bank covenants set were met as of 31st August 2021 and based on forecasts to August 2022 the charity is expected to meet bank covenants once again.

The Directors are confident therefore that the company will have sufficient funds to continue to meet its liabilities as they fall due and for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Gift in Kind

Gift in kind is received from Sunderland AFC in the form of products and services given freely and staff time donated, as well as from other sources. Where they can be quantified, gift in kind is included within the statement of financial activities as both income and expense.

Foundation of Light

Accounting Policies (continued)

Income

Voluntary income including donations, gifts and legacies and grants that provide core funding which are general in nature are recognised when there is entitlement, probability of receipt and the amount can be measured with sufficient reliability.

Investment income is recognised on a receivable basis and arises from an interest-bearing deposit account. The Charity only recognise interest on bonds when it is unconditional, and hence all conditions of the bond have been met, and it has matured

Income from charitable activities includes income received under contract or, where entitlement to grant funding is subject to specific performance conditions, is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability.

Donations are recognised when received unless the receipt is probable, when they are recognised as accrued income. Donations and grants received for specific purposes are classed as restricted and are deferred until the Charity is entitled to the funding and has met the conditions set out in the funding agreement.

Beacon of Light capital grant income is funding received by Beacon of Light Limited toward the construction of the Beacon of Light facility. In the consolidated SOFA, capital grants are recognised upon receipt, as required by paragraph 5.27 of the SORP.

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Expenditure

Expenditure is accounted for on an accruals basis as a liability is incurred and includes irrecoverable VAT as applicable. Contractual arrangements and performance-related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises resulting in the payment being unavoidable.

- Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- Charitable activities include expenditure associated with the delivery of education activities and include both the direct costs and support costs relating to these activities.
- Governance costs include those incurred in the governance of the Charity and its assets and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions and have been allocated based on income.

Foundation of Light

Accounting Policies (continued)

Redundancy and Termination Benefits
Redundancy and termination benefits are accrued by the Charity when there is a constructive obligation to pay them. This is normally via a contractual, legislation or other agreement with employees and their representatives.

Intangible Fixed Assets
The Foundation of Light website and the development of an operational IT system have been classified as intangible fixed assets. Amortisation has been provided on a straight-line basis over the estimated useful life of the assets, with a full month's amortisation charge in the month of completion, at a rate of 33% per annum. The assets have been capitalised at cost, comprising all directly attributable costs required to bring them into working condition.

Tangible Fixed Assets
Individual fixed assets costing £500 or more are capitalised at cost. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on a straight-line basis over the estimated useful life of the asset with a full month's depreciation charged in the month of acquisition. Principal rates used are:

Computer Equipment	33%
Buildings	2% - 10%
Fixtures and Fittings	25%

The Beacon is classified under Buildings, as the facility is used by the charity as a functional property to further the charitable objectives of the Charity. The building will be depreciated over its anticipated useful economic life. The anticipated useful economic life is 50 years.

Fundraising
Fundraising income and expenditure are accounted for on an accruals basis and is classified as unrestricted.

Funds
Restricted funds are funds raised or donated for a specific purpose. All other funds are classified as unrestricted.

Surplus funds held are deposited with Barclays Bank and Nationwide to earn interest prior to utilisation by the Foundation.

There are two designated funds; one is to set aside funding to cover any charity wind-up costs if required, and the other is to build a reserve to fund the replacement of fixed assets.

Operating Leases
The Charity classifies the lease of minibuses and photocopying equipment as operating leases. Rental charges are charged on a straight-line basis over the term of the lease.

Finance Leases
Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors.

Foundation of Light

Accounting Policies (continued)

Judgements and Key Sources of Estimation Uncertainty

In the application of the company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount 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 Directors do not consider that there are any significant judgements or estimates included in the financial statements.

Foundation of Light

Notes to the Financial Statements for the year ended 31 August 2021

1 Group Income

(a) Donations and Legacies - Group

	Unrestricted £	Restricted £	For the year ending 31 August 2021	Unrestricted £	Restricted £	For the year ending 31 August 2020 £
Gifts, Donations and legacies	87,941	-	87,941	561,596	-	**561,596**
Capital Grants[1]		47,000	47,000		59,882	**59,882**
Grants of a general nature from government and Charitable Foundations	359,998	-	359,998	240,000	-	**240,000**
Membership, Subscriptions and Sponsorship	4,305	-	4,305	11,011	-	**11,011**
	452,244	47,000	499,244	812,607	59,882	**872,489**

[1] In 2014 a wholly owned subsidiary of the Foundation, Beacon of Light Limited, was established for the purpose of constructing and running a new iconic facility, the Beacon of Light. During the year £47,000 (2020: £59,882) has been received from several funders as retention to support the construction. This funding is treated as a deferred capital grant within the Beacon of Light financial statements. However, in accordance with the Charities SORP, this funding has been treated as income on consolidation. The cumulative size and nature of this funding, it has been separately disclosed and is restricted, as it cannot be used for the general purposes and expenses of the Foundation.

(a) Donations and Legacies - Charity

	Unrestricted £	Restricted £	For the year ending 31 August 2021	Unrestricted £	Restricted £	For the year ending 31 August 2020 £
Gifts, Donations and legacies	87,941	-	87,941	561,596	-	**561,596**
Capital Grants[1]		-	-	-	-	-
Grants of a general nature from government and Charitable Foundations	359,998	-	359,998	240,000	-	**240,000**
Membership, Subscriptions and Sponsorship	4,305	-	4,305	11,011	-	**11,011**
	452,244	-	452,244	812,607	-	**812,607**

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

(b) Income from charitable activities – Group and Charity

By Source of Funding	Unrestricted £	Restricted £	**For the year ending 31 August 2021 £**	For the year ending 31 August 2020 £
Football coaching sales	232,940	-	**232,940**	243,121
Sale of services as part of the direct charitable activities	130,105	-	**130,105**	139,178
Contractual payments from government or public authorities	-	1,214,635	**1,214,635**	902,775
Performance related grants where level of income depends on volume of service provided	-	1,108,927	**1,108,927**	1,383,905
Gift in kind	-	-	-	36,064
	363,045	2,323,562	**2,686,607**	2,705,043

In the prior period, income from charitable activities comprised of £382,299 unrestricted funds and restricted income of £2,322,744.

By Charitable Activity	Unrestricted £	Restricted £	**For the year ending 31 August 2021 £**	For the year ending 31 August 2020 £
Sport and Play	266,386	212,383	**478,769**	518,898
Education	30,388	654,579	**684,967**	510,778
World of Work	991	374,079	**375,070**	525,244
Community	2,088	692,324	**694,412**	888,022
Health	745	288,521	**289,266**	100,359
Core	62,447	101,676	**164,123**	161,742
	363,045	2,323,562	**2,686,607**	2,705,043

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

(c) Other trading activities - Group

	Unrestricted £	Restricted £	**For the year ending 31 August 2021 £**	For the year ending 31 August 2020 £
Fundraising events	37,096	-	**37,096**	12,230
Sponsorships and lottery	33,388	-	**33,388**	72,733
Letting arrangements for Property	24,200	-	**24,200**	10,083
Trading activity	293,339	-	**293,339**	379,007
Gift in kind	-	-	-	2,068
	388,023	-	**388,023**	476,121

In the prior year, income from other trading activities comprised solely of £476,121 unrestricted income.

Other trading activities - Charity

	Unrestricted £	Restricted £	**For the year ending 31 August 2021 £**	For the year ending 31 August 2020 £
Fundraising events	37,096	-	**37,096**	12,230
Sponsorships and lottery	33,388	-	**33,388**	72,733
Letting arrangements for Property	24,200	-	**24,200**	10,083
Trading activity	102,000	-	**102,000**	105,913
Gift in kind	-	-	-	2,068
	196,684	-	**196,684**	203,027

(d) Job Retention Grant from the Government

Income amount received to the Group in current financial year to 31 August 2021 was £201,631 (2020: £320,932). Income amount received to the Charity in current financial year to 31 August 2021 was £170,131 (2020: £293,334).

2 Group Expenditure

a) Expenditure on raising funds – Group

	For the year ending 31 August 2021 £	For the year ending 31 August 2020 £
Cost of seeking donations and grants	**189,751**	162,997
Fundraising events	**14,029**	19,633
Sponsorships and lottery	**30,491**	29,050
Membership scheme	**3,000**	1,250
Other running costs	**263,186**	352,454
Depreciation	**18,063**	14,966
Marketing and publicity	**22,492**	16,166
Gift in kind	-	2,068
	541,012	598,584

Expenditure on raising funds – Charity

	For the year ending 31 August 2021 £	For the year ending 31 August 2020 £
Cost of seeking donations and grants	**189,751**	162,997
Fundraising events	**14,029**	19,632
Sponsorships and lottery	**30,491**	29,050
Membership scheme	**3,000**	1,250
Other running costs	**23,031**	18,168
Marketing and publicity	**22,492**	16,166
Gift in kind	-	2,068
	282,794	249,331

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

b) Expenditure by Charitable Activity - Group

	Sport and Play	World of Work	Education	Community	Health	Beacon of Light	Core	**2021**	2020
	£	£	£	£	£	£	£	**£**	£
Gift in kind	-	-	-	-	-	-	-	-	36,064
Education	322,660	308,819	475,370	443,566	238,165	-	-	**1,788,580**	1,693,567
Depreciation and amortisation	5,274	5,274	5,274	5,274	5,274	477,296	-	**503,666**	520,589
Redundancy	-	-	-	-	-	-	-	-	26,436
Building[1]	95,647	74,930	136,840	138,727	57,788	-	-	**503,932**	483,794
Support costs (c)	106,635	83,538	152,561	154,665	64,428	-	164,124	**725,951**	845,043
Governance (d)	7,060	7,060	7,060	7,060	7,060	-	-	**35,300**	35,115
	537,276	**479,621**	**777,105**	**749,292**	**372,715**	**477,296**	**164,124**	**3,557,429**	3,640,608

Expenditure on charitable activities comprised of £945,042 unrestricted (2020: £1,011,943) and £2,612,387 restricted funds (2020: £2,628,665).

Depreciation charges represent the write down of capitalised Beacon of Light building, fit out costs and IT equipment, in addition to staff and participant IT equipment and outreach centre fixtures and fittings. Support costs are staffing and overheads for functions such as Directors, Finance, Admin, IT and HR and are allocated based on income.

Expenditure is allocated between the restricted and unrestricted funds based on the project to which it relates; expenditure relating to the generation of unrestricted income such as the sales of sports and play coaching courses is classified as unrestricted expenditure, while expenditure relating to restricted grant funded programme is classified as restricted expenditure.

[1] Building costs relate to the staffing and overheads associated with operating the Beacon of Light facility

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

b) Expenditure by Charitable Activity – Charity

	Sport and Play £	World of Work £	Education £	Community £	Health £	Core £	**2021 £**	2020 £
Gift in kind	-	-	-	-	-	-	-	36,064
Education	375,010	349,830	550,262	519,493	269,794	-	**2,064,389**	1,916,997
Redundancy	-	-	-	-	-	-	-	26,436
Depreciation and amortisation	5,274	5,274	5,274	5,274	5,274	-	**26,370**	13,223
Support cost (c)	106,635	83,538	152,561	154,665	64,428	164,124	**725,951**	845,043
Governance (d)	5,737	5,737	5,737	5,737	5,737	-	**28,685**	14,545
	492,656	**444,379**	**713,834**	**685,169**	**345,233**	**164,124**	**2,845,395**	2,852,308

Expenditure on charitable activities comprised of £434,493 unrestricted (2020: £534,012) and £2,410,902 restricted funds (2020: £2,318,296).

c) Expenditure by Support Costs – Group and Charity

	Sport and Play £	World of Work £	Education £	Community £	Health £	Core £	**2021 £**	2020 £
Administration	28,622	22,422	36,581	41,513	22,312	161,679	**313,129**	356,425
Director's	18,684	14,637	22,363	27,099	14,565	105,540	**202,888**	254,680
Finance Dept	11,522	9,026	16,484	16,711	8,982	65,084	**127,809**	122,449
HR Dept	706	553	1,009	1,023	550	3,985	**7,826**	31,145
IT Dept	6,698	5,247	9,583	9,715	5,221	37,835	**74,299**	80,344
	66,232	**51,885**	**86,020**	**96,061**	**51,630**	**374,123**	**725,951**	845,043

(d) Governance Costs - Group	**For the year ending 31 August 2021 £**	For the year ending 31 August 2020 £
Audit Fees	**21,000**	22,500
VAT Fees	**4,050**	12,617
Total Costs - group	**25,050**	35,117

Governance costs are allocated on a straight-line basis.

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

3 Group Staff Costs

	Year ending 31 August 2021 £	Year ending 31 August 2020 £
Staff costs:		
Wages and salaries	**2,053,709**	2,194,875
Social security costs	**169,081**	170,879
Other pension costs	**72,094**	54,428
Redundancy costs	**3,000**	86,425
	2,297,884	2,506,607

Two employees received total employee benefits for the reporting period, one at £60,000 - £70,000 & one at £80,000 - £90,000 (2020: two employees). For staff paid over £60,000 pension contributions of £7,563 were made (2020: £7,140). Key Management detailed on page 1 cumulatively received £230,253 (3 employees) in employee benefits in 2021 (2020: £272,120 4 employees).

The Trustees are not entitled to, and did not receive, any remuneration for their services to the Charity (2020: £nil). Expenses reimbursed amounted to £nil (2020: £nil).

The Foundation has an Aviva defined contribution pension scheme which is open to all permanent employees after successful completion of their probation period. The Foundation makes a standard contribution of 3% of basic salary on behalf of the members, at a cost of £47,233 (2020: £30,436) in the year. At the period end £4,536 (2020: £5,030) in payable contributions were outstanding. The Foundation has also been required to auto-enrol all eligible employees into a pension scheme since July 2014, as such, all new employees are automatically enrolled into the NEST governmental defined contribution scheme. Employees are required to make a 5% contribution and the Foundation makes a standard contribution of 3%. The cost of the NEST scheme in 2021 was £24,862 (2020: £23,992). At the year-end there were £5,114 (2020: £4,547) payable contributions outstanding. These pension costs would be allocated as per staff costs based on project/activity allocations.

The monthly average number of persons employed by the Group and Charity during the year was 163 (31 August 2020: 135). The average number of full-time staff members was 100 (2020: 91) and those on part time and casual contracts was 63 (2020: 44). All staff are employed for the furtherance of the Charity's objectives.

Staff employed can be further analysed as follows:

	Year ending 31 August 2021 Number	Year ending 31 August 2020 Number
Delivery Staff	**128**	105
Support and Administration	**11**	9
Beacon of Light Operations	**12**	7
Commercial and Marketing	**9**	10
Directors	**3**	4
	163	135

4 Net outgoing resources before transfers

Net outgoing resources for the parent and Group are stated after charging:

	Year ending 31 August 2021 £	Year ending 31 August 2020 £
Audit fee	**21,000**	22,500
Depreciation	**521,727**	535,554
Amortisation	**-**	-
Operating lease costs:		
- plant and machinery	**19,937**	21,819
Bank Interest	**35,221**	45,781
Non-Audit Fees for Tax Compliance services	**4,050**	4,000

£Nil depreciation was charged in the year related to leased assets (2020: £Nil).

5 Intangible assets – Group and Charity

	Intangibles	Total
	£	£
Cost		
As at 1 September 2020	-	-
Additions	20,000	20,000
As at 31 August 2021	**20,000**	**20,000**
Accumulated Amortisation		
As at 1 September 2020	-	-
Charge for the Period	556	**556**
At 31 August 2021	**556**	**556**
Net book value		
At 31 August 2021	**19,444**	**19,444**
At 31 August 2020	-	-

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

6 Property, Plant and Equipment

Charity	Computer Equipment	Leasehold Buildings	Fixtures and Fittings	Total
	£	£	£	£
Cost				
As at 1 September 2020	**273,460**	**75,706**	**208,213**	**557,379**
Additions	60,180	-	-	60,180
As at 31 August 2021	**333,640**	**75,706**	**208,213**	**617,559**
Accumulated Depreciation				
As at 1 September 2020	**246,232**	**73,629**	**207,487**	**527,348**
Charge for the Period	24,275	1,039	499	**25,813**
At 31 August 2021	**270,507**	**74,668**	**207,986**	**553,161**
Net book value				
At 31 August 2021	**63,133**	**1,038**	**227**	**64,399**
At 31 August 2020	27,228	2,077	727	30,031

Group	Computer Equipment	Freehold Buildings	Leasehold Buildings	Fixtures and Fittings	Total
	£	£	£	£	£
Cost					
As at 1 September 2020	**473,912**	**18,720,701**	**75,706**	**470,974**	**19,741,293**
Additions	60,179	-	-	6,137	**66,316**
As at 31 August 2021	**534,091**	**18,720,701**	**75,706**	**477,111**	**19,807,609**
Accumulated Depreciation					
As at 1 September 2020	**398,435**	**764,201**	**73,629**	**324,351**	**1,560,616**
Charge for the Period	66,703	381,314	1,039	72,118	521,174
At 31 August 2021	**465,138**	**1,145,515**	**74,668**	**396,469**	**2,081,790**
Net book value					
At 31 August 2021	**68,953**	**17,575,186**	**1,038**	**80,642**	**17,725,819**
At 31 August 2020	75,476	17,956,500	2,077	146,624	18,180,677

7 Investments

The Foundation has a wholly owned subsidiary, Altruism Limited (previously SAFC Community Limited), a company incorporated in England and Wales registration number 04303983. The purpose of the company is to operate the commercial trading at the Beacon of Light, predominantly sport facility hire, meetings and events. The net liabilities of the subsidiary as of 31 August 2021 were £783,847 (2020: net liabilities of £630,627).

The Foundation also has a wholly owned trading subsidiary, Beacon of Light Limited registration number 09221229, which was established in September 2014. The purpose of the company is to construct and run the Beacon of Light facility. The net liabilities of the subsidiary as of 31 August 2021 were £481,688 (2020 net liabilities of: £278,016).

Both subsidiaries share the same registered address as the Foundation of Light; Beacon of Light, Stadium Way, Sunderland, SR5 1SN.

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

8 Debtors

	Charity 31 August 2021	Charity 31 August 2020	**Group 31 August 2021**	Group 31 August 2020
	£	£	**£**	£
Trade Debtors	**176,099**	68,417	**239,522**	149,254
Amounts due from Group undertakings	**1,506,430**	1,322,550	**-**	-
Amounts due from Sunderland AFC Ltd	**-**	12,920	**4,295**	17,224
Other Debtors	**-**	-	**15,783**	111,100
Prepayments and accrued income	**182,512**	235,704	**192,752**	258,003
	1,865,041	1,639,591	**452,352**	535,581

Amounts due from Group Undertakings relate to inter-company balances and loans with the Charity's two subsidiaries Beacon of Light Ltd and Altruism Ltd and bear no interest and are repayable on demand. At the date of sign off Trustees have confirmed that they will not seek to recover these amounts within the 12 months from the date of approval of the financial statements.

9 Creditors: amounts falling due within one year

	Charity 31 August 2021	Charity 31 August 2020	**Group 31 August 2021**	Group 31 August 2020
	£	£	**£**	£
Trade Creditors	**106,165**	(51,629)	**439,808**	271,384
Amounts due to Sunderland AFC Ltd	**749**	61,793	**749**	61,793
Other Creditors	**64,372**	70,661	**64,404**	119,936
Amounts due to Group undertakings	**389,508**	67,238	**-**	-
Accruals and deferred income	**223,851**	383,866	**264,524**	488,132
	784,644	531,929	**769,485**	941,245

Deferred income can be further analysed as follows:

	Charity for the year ending 31 August 2021	Charity for the year ending 31 August 2020	**Group for the year ending 31 August 2021**	Group for the year ending 31 August 2020
	£	£	**£**	£
Balance brought forward	**316,816**	425,946	**371,618**	425,946
Recognised in year	**2,672,038**	2,194,384	**2,710,778**	2,249,186
Released in year	**(2,836,561)**	(2,303,514)	**(2,851,662)**	(2,303,514)
Balance carried forward	**152,293**	316,816	**230,734**	371,618

Income is deferred based on the calendar period the activity takes place.

10 Creditors: amounts falling due after one year

	Charity	Charity	**Group**	Group
	31 August 2021	31 August 2020	**31 August 2021**	31 August 2020
	£	£	**£**	£
Charity Bank Loan	**1,100,000**	1,200,000	**1,100,000**	1,200,000

The Charity Bank Loan was secured at the end of 2017. It was drawn down in January 2018 and February 2018 to pay capital construction creditors in respect of the Beacon of Light Project. Under the terms of the agreement, the loan is repayable in full, five years after the initial drawdown, in May 2023 subject to a loan covenant based on interest cover and a property loan to value. The loan carries an interest rate of 3% above the bank rate.

11 Analysis of Net Assets

Charity

Fund balances at 31 August 2021 are represented by:	Unrestricted	Restricted	Total
	£	£	£
Tangible Fixed Assets	-	83,843	**83,843**
Investments	-	2	**2**
Net Current Assets	1,081,600	1,274,764	**2,356,364**
Creditors: amounts falling due after one year	-	(1,100,000)	**(1,100,000)**
Total funds	1,081,600	258,609	**1,340,209**

The funds can be further analysed as follows:

	1 September 2020	Income	Expenditure	Transfers	**31 August 2021**
	£	£	£	£	**£**
General funds	907,922	1,182,104	(717,287)	(341,501)	**1,031,238**
Designated funds					
Contingency fund	50,362	-	-	-	**50,362**
Total designated funds	50,362	-	-	-	
Total unrestricted funds	958,284	1,182,104	(717,287)	(341,501)	**1,081,600**
Restricted funds:					
Education	(196,571)	654,579	(646,445)	188,437	-
World of Work	(27,760)	374,079	(405,681)	59,362	-
Sport and Play	(79,693)	212,383	(278,500)	145,810	-
Community	340,607	692,323	(653,385)	(120,936)	**258,609**
Health	(32,135)	288,521	(325,214)	68,828	-
Core	-	101,677	(101,677)	-	-
Total restricted funds	4,448	2,323,562	(2,410,902)	341,501	**258,609**
Total funds	962,732	3,505,666	(3,128,189)	-	**1,340,209**

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

11 Analysis of net assets (continued)

Group

Fund balances at 31 August 2021 are represented by:	Unrestricted	Restricted	**Total**
	£	£	**£**
Tangible Fixed Assets	-	17,745,263	**17,745,263**
Net Current Assets	244,728	1,043,678	**1,288,406**
Creditors: amounts falling due after 1 year	-	(1,100,000)	**(1,100,000)**
Total funds	244,728	17,688,941	**17,933,669**

The funds can be further analysed as follows:

	31 August 2020	Income	Expenditure	Transfers	31 August 2021
	£	£	£	£	£
General funds	144,150	1,404,943	(1,486,054)	131,327	194,366
Designated funds					
Contingency fund	50,362	-	-	-	50,362
Total designated funds	50,362	-	-	-	
Total unrestricted funds	194,512	1,404,943	(1,486,054)	131,327	244,728
Restricted funds:					
Education	(151,699)	654,579	(571,550)	68,670	-
World of Work	(8,051)	374,079	(364,670)	(1,358)	-
Sport and Play	(34,087)	212,383	(226,151)	47,855	-
Community	418,620	692,323	(577,458)	(274,876)	258,609
Health	(23,318)	288,521	(293,585)	28,382	-
Core	-	101,677	(101,677)	-	-
Beacon of Light	17,860,628	47,000	(477,296)	-	17,430,332
Total restricted funds	18,062,093	2,370,562	(2,612,387)	(131,327)	17,688,941
Total funds	18,256,605	3,775,505	(4,098,441)	-	17,933,669

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

11 Analysis of Net Assets (continued)

During the year, transfers were made between unrestricted and restricted funds to cover overspends that had occurred on certain restricted funds. Due to covid some restricted funds have been rolled forward between financial years and we have no indication of any claw backs to date. There have also been some transfers between restricted funds The Sport and Play department are partially funded by restricted grant income from Trusts and Foundations; however, the majority of funding is from unrestricted funds, particularly trading income from the delivery of courses. Community, Core, Health, Education and World of Work projects are mainly funded by grants from Trust and Foundations, corporate funding and Public Sector contracts; the balance is funded from unrestricted funds.

A description of each restricted fund is given below:

Education	Includes Post 16 Football Scholarship and, Secondary Education projects.
World of Work	Family Learning programmes (based in Durham, Sunderland, and South Tyneside), Employability courses and Apprenticeships.
Sport and Play	Community football teams, Regional Talent Club and in and out of curriculum coaching in Durham, Sunderland, and South Tyneside.
Health	Includes Tackling Loneliness, Get Out Get Active, Extra Time Hubs (veterans and over 55's) and men's health projects
Community	Youth Engagement activity and disability projects.
Beacon of Light	Grant funding received for the construction of the Beacon of light facility, funding capital expenditure on the project and the depreciation charges on the build.
Core	Digital, including website and E-Learning platform.

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

12 Financial Commitments

Operating lease commitments

At 31 August the Group had total commitments under non-cancellable operating leases, as follows:

	31 August 2021			31 August 2020		
Group	**Land and buildings**	**Other**	**Total**	Land and buildings	Other	Total
	£	£	£	£	£	£
Within one year	-	**13,986**	**13,986**	-	17,312	17,312
Between one to five years	-	**17,541**	**17,541**	-	9,202	9,202
Total	-	**31,527**	**31,527**	-	26,515	26,515

13 Related Party Transactions

During the year the Club provided many services to the Foundation. The Foundation received quantifiable gifts in kind from Sunderland AFC Limited of £nil (2020: £36,064).

The Foundation did not receive donations from Sunderland AFC Limited by way of a percentage of cashback ticket sales, player fines and general donations due to COVID; this amounted to £ Nil in the financial year (2020: £nil). Details of the Foundation's relationship with the Club can be found on page 5 of the Trustees' report.

The Foundation continues to sponsor an Alternative Provision Free School, Beacon of Light School, which received its first intake of pupils in September 2017. Lesley Spuhler OBE (Chief Executive) is a Member of Beacon of Light School and James Wright (Managing Director) is a school governor. Income, being recharges of invoices and services in the year totalled £112,874 (2020: £102,492).

The Foundation received donations from Trustee's in the year of £nil (2020: £265,819).

FOUNDATION OF LIGHT

England & Wales - Charity number 1089333

Accounts

Foundation of Light (a Company Limited by Guarantee)
Consolidated Annual Report and Financial Statements
for the year ended 31 August 2020

Registered Charity Number: 1089333

Registered Company Number: 04243171

Foundation of Light

Annual Report and Consolidated Financial Statements for the year ended 31 August 2020

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Foundation of Light

Trustees and Advisers for the year ended 31 August 2020

Trustees
Kathryn Adie OBE
Sir Timothy Miles Bindon Rice
George Clarke
Paul David Collingwood MBE
Stephen Cram CBE - Treasurer
The Baroness Estelle Morris - Vice Chair of Trustees
Sir Robert Sydney Murray CBE - Chair of Trustees
The Hon. James Ramsbotham CBE
Stewart James Donald
Baroness Tanni Carys Davina Grey-Thompson
Nathan O'Brien (appointed 25th April 2020)

Key Management

Lesley Spuhler OBE	Chief Executive
James Wright	Managing Director
Paul Wright	Director of Finance and Support Services (resigned 9th April 2021)
Phil King	Commercial Director (resigned 21st February 2020)

Registered Office
Beacon of Light
Sunderland
SR5 1SN

Banker
Barclays Bank PLC
53 Fawcett Street
Sunderland
SR1 1SD

Independent Auditor
RSM UK Audit LLP
Chartered Accountants
1 St. James' Gate
Newcastle upon Tyne
NE1 4AD

Legal Advisor
Ward Hadaway
102 Quayside
Newcastle upon Tyne
NE1 3DX

Foundation of Light

Chairman's Statement

I am pleased to share an outstanding 2020 Annual Report, which shows how we have dramatically adapted to, developed and performed in challenging circumstances, working tirelessly to continue to support our communities at a time when they need it most.

COVID-19 Pandemic

It's fair to say this has been a year like no other and although we entered it at full capacity delivering 20,000 sessions across a portfolio of 40 programmes – our iconic facility, the Beacon of Light, was closed in Spring of 2020.

At a time of such uncertainty, due to not only the COVID-19 pandemic, but changes in the global economy, increasing health concerns, political uncertainty, and social divisions, we believe that charity has an important role to play in creating opportunities and community spirit right across Sunderland, South Tyneside and County Durham for some of the most vulnerable people in the region.

With the Beacon eerily quiet during those periods of lockdown, we were driven to adapt our services to ensure that we continued to support those in our communities. From 'garden gate' visits and food parcels for the over 55's to delivering a virtual youth service, supporting primary and secondary schools and volunteering our time with the Sunderland Foodbank and Salvation Army, we've reached out far and wide.

The impact of the global pandemic will resonate through our lives and communities long after the vaccination has been distributed. It has touched everyone; but it has had a far greater impact on those who already live with inequality and deprivation.

Sadly now, the education and employment gap has become ever deeper, and many are further away from re-joining the workplace than ever before in many cases more likely to experience poorer mental or physical health, meaning a far greater challenge for them to get back on track. Now more than ever before, the Foundation matters.

It goes without saying that I am also so very proud of our professional, able and fully committed staff, and everything they have done, and continue to do, for our communities, despite their own personal challenges as a result of the pandemic. They are a credit to the Foundation, making a difference every day to create a safe space for positive social interaction and a true sense of belonging for all our communities.

2020 Results

By growing and sustaining an economically strong and responsible Group over the long-term, guided by a clear purpose, we continue to make a positive and significant impact not just to our participants, but to the economy and society in the North East of England.

Our financial performance for the year reflects the challenge of adapting to the new world but paints a positive picture, despite the unprecedented trading position that we and many other charities and businesses find ourselves in, and that we were unable to access any COVID-specific grants, finding ourselves falling between the funding 'cracks'.

The Group moved from a deficit of (£1,020,715) in 2019 to a surplus of £135,393 in 2020, with income increasing from £3,754,704 in 2019 to £4,374,585 in 2020 and expenditure reducing from £4,775,419 in 2019 to £4,239,192 in 2020.

Foundation of Light

The Group's net assets have risen to £18,256,605 in 2020.

Charity reserve funds have risen to £962,732 in 2020, of which £958,284 is unrestricted, compared to £50,362 in 2019 thereby restoring to a position ahead of the £750,000 unrestricted policy that we adopted.

The intercompany debt between the Beacon and the Charity has decreased from £1,525,433 in 2019 to £1,322,550 in 2020, and a plan of action to reduce the debt further has been executed in the year to August 2021.

During the year, the Group successfully reclaimed over £900,000 of VAT previously paid on the construction of the Beacon.

The Group accessed the Government's Job Retention scheme during the financial year, providing £320,932 of funds.

We must of course also give huge thanks to those generous donors who supported us not only in replenishing our reserves but also in ensuring we could continue delivering front-line services, especially Sunderland City Council and generous private large-scale donors.

This year we welcomed Nathan O'Brien to our Board of Trustees, who brings a wealth of commercial experience and knowledge to our team as we shape our operational business model for the future; and we look forward to a full Governance review as we begin maturing as a Group of companies.

Subsequent Events

We have continued to utilise the Government's Job Retention Scheme in periods of inactivity and currently the scheme has provided funds of £173,614 to March 2021. We also received a considerable and vital grant from the Vardy Foundation, in partnership with DCMS, that contributed to our overheads whilst also encouraging £210,000 worth of match funding for COVID-related projects.

The Group made a further payment of £100,000 in December 2020 to reduce the Charity Bank loan. The Group financials currently are positive with robust cashflow.

The impact of Covid lockdowns has had a significant detrimental impact on the commercial activities undertaken within the Beacon. Over the coming months, when the full impact of the current and previous lockdowns becomes clearer, the Beacon will assess what relief it can provide to Altruism to mitigate the financial impact of reduced trading. Any relief provided will be in respect of intercompany charges only and will not have any impact on the financial standing of the Group overall.

As we adapt to a new world, it firmly remains our objective to continue to grow the Group's reach and depth in the region, at a time when our communities need us now more than ever before. The larger the positive economic and social impact we can make for our participants, the stronger our region becomes. Throughout our history, we have sought to build relationships, trust and solve important problems and this has never been more vital than it is now. I vehemently believe in a successful and positive future for the Foundation, with the optimism of a brighter time ahead for all.

Sir Robert Sydney Murray CBE

7 May 2021

Foundation of Light

Trustees' Report for the year ended 31 August 2020

The Trustees are pleased to present their annual report together with the audited financial statements of the Charity and Group for the year ended 31 August 2020. This report includes the information required to satisfy the company law requirements to present a Strategic Report and a Directors' Report.

Structure, Governance and Management

Governing Document

Foundation of Light is a company limited by guarantee, governed by its Memorandum and Articles of Association dated November 2001. The liability of the Trustees for the debts and liabilities of the company is limited, and in the event of the company being wound up, would not exceed £1. It is registered as a charity with the Charity Commission (registered number 1089333), with two subsidiaries - Altruism Limited (registered number 04303983) date of incorporation 12th Oct 2001 and is governed by its memorandum and articles dated 12th Oct 2001 and updated on the 24th Oct 2014 also Beacon of Light (registered number 09221229) date of incorporation 16th Sept 2014 and is governed by its memorandum and articles dated 16th Sept 2014.

Appointment of Trustees

As set out in the Articles of Association, Trustees are invited to join the Board, however full-time/part time staff members of Foundation of Light are not eligible. From time-to-time nominees may be invited to become friends of the Foundation or honorary members. Sunderland AFC Limited ('the Club') can appoint one Trustee. At the Annual General Meeting one third of Trustees shall resign by rotation and are then eligible to be re-appointed if nominated.

Trustee Induction and Training

New Trustees receive an induction pack that includes the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the Charity. Trustees are encouraged to attend appropriate external training events to assist them in the undertaking of their role.

Organisation

The Board of Trustees, which shall include no less than six members and not more than twelve, administers the Charity. The Board meets at least four times a year and there are sub-committees covering Audit and Risk (comprises four committee members to review the integrity of the financial statements and where appropriate make recommendations to the Trustee's), Nominations and Remuneration and Education and Skills which meet more regularly. A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the Charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance, employment, education, skills and sport related activity. Administrative details for the charity, its Trustees and advisors, are detailed on page 1.

Trustees' Report for the year ended 31 August 2020 (continued)

Related Parties

Although Foundation of Light is structurally and financially independent from Sunderland AFC ("the Club"), the Club supports its own registered charity in many ways, not least through its gifts in kind such as match day tickets, prime accommodation and auction prizes, all of which amounted to a value of £36,064 in the current period (2019: £24,580). The Foundation continues to sponsor an Alternative Provision Free School, Beacon of Light School, which resides as a tenant of the Beacon of Light facility in Sunderland.

Key Management Pay

The pay of all staff including key management is banded in salary grades dependent on their role. Each grade is reviewed annually and compared to similar roles in the sector. Revisions to pay grades are included in the annual budget setting process and a recommendation is made to Trustees on the level of pay increases to be awarded. The Trustees delegate the approval process to Nominations and Remunerations Committee who have the final say in the pay awards granted for the year.

Risk Management

The Trustees have a risk management strategy which comprises:

- An annual review of the risks the Group may face;
- The establishment of systems and procedures to mitigate those risks identified in the plan; and
- The implementation of procedures designed to minimise any potential impact on the Charity should those risks materialise.

This work has identified a few major risks which has resulted in improved procedures and contingency plans and has given the impetus for better planning. Particular attention is focused on non-financial risks arising from working with young people such as safeguarding and health and safety. A key element in the management of financial risk is the setting of a regular review through the Audit and Risk Committee and Senior Leadership Team. Changes in both the political and economic climate are identified as major risks in this risk assessment.

Principal Risks and Uncertainties

The Foundation will always face business risks; however, the Trustees have taken steps to mitigate these as far as possible. Reviews are undertaken by the Audit and Risk Committee and the Board of Trustees. Risks identified include:

COVID-19 Pandemic

COVID-19 was added to the Trustee risk register in January 2020 with major risks identified including health and safety of staff and participants and financial losses due to reduced programmes and potential building closure. As a result, business continuity plans were updated, policies and procedures refreshed, and a new COVID-19 specific operational risk assessment completed. All of which continue to be reviewed should there be a return of the pandemic.

Trustees' Report for the year ended 31 August 2020 (continued)

Financial Growth of the Charity and the Beacon of Light

With continued success comes the pressure for growth and expansion. In developing the Beacon of Light facility space has been provided for Sport and Play facilities, World of Work delivery and an Alternative Provision Free School. With such a level of expansion comes the risk of being unable to raise adequate funds to run the building and turn an operating profit. Current actions to help manage these risks include the review of Directorships, the development of the trading company Business Plan and the appointment of supporting non-executives.

Compliance Risks of Employees and Participants

Delivery teams, due to the nature of the Foundation's mission, work within the disadvantaged communities which we aim to help. The compliance risks have increased due to the operation of the Beacon of Light facility and an increase in number of new staff and volunteers. Risks are in the areas of Health and Safety, Safeguarding and Data Protection:

- Comprehensive health and safety policies are in place to protect staff; regular safety audits are conducted, and expert consultants are utilised where needed. Regular training is in place for staff.
- Whilst the Foundation has always been mindful of data protection legislation, changes in regulations due to GDPR (General Data Protection Regulation) mean more robust policies and procedures are required. Action plans have been developed, policies reviewed, and a new training programme put in place.
- The Foundation has robust Safeguarding procedures in place to ensure we are compliant with local and national agendas. Policies and procedures are in place alongside a Safeguarding assurance framework which is quality checked by the Education and Skills Advisory Committee which is then reported to the Trustees by the committee chair, Baroness Estelle Morris.
- The Foundation has a Business Continuity Plan should any out-of-control factors impact the business.

Loss of key staff

The threat of losing key staff with specialist knowledge, skills and expertise is a risk. Staff turnover is minimised by offering competitive benefits and training opportunities, annual staff surveys, an active culture working Group (represented by staff); whilst requiring staff to give adequate notice periods to ensure there are no gaps in the Foundation's ability to deliver services.

Trustees' Report for the year ended 31 August 2020 (continued)

Objectives and Activities

The Foundation of Light's vision is 'Better opportunities. Better lives'. It aims to involve, educate and inspire using the power of football and the SAFC Brand and has again worked with thousands of local people during this period in education and skills programmes, health and wellbeing, and sport and leisure activities.

To do this the Foundation uses its strategic assets to work across our communities of Sunderland, South Tyneside and Durham, with all ages and abilities to:

- Raise educational attainment; inspire a love and commitment to lifelong learning;
- Increase skills and access to employment opportunities by connecting people to the world of work;
- Enable individuals and families to develop healthier and happier lives; support the development of vibrant and respectful communities and reduce inequalities;
- Provide more opportunities for inclusive sport and play, inspiring participation and achievement;
- Deliver high standards through a committed and highly skilled workforce and excellent leadership and governance.

The Board of Trustees has referred to the Charity Commission general guidance on public benefit when reviewing the aims and objectives of Foundation of Light and is satisfied that they meet the public benefit requirements. Further information within the achievements and performance section of this report provides details of the work done to meet these aims and objectives.

With a multi-skilled staff team of over 100 staff, along with over 170 volunteers and a range of excellent football related and SAFC branded resources, Foundation of Light can be a catalyst in changing the lives of young people and their families in the communities of Sunderland, South Tyneside and County Durham.

The Foundation not only contributes to the educational and skills development of communities but also makes an impact on prominent issues such as health, regeneration, crime, community cohesion and employment using football and sport as the motivator

Achievements and Performance

The year from 1st September 2019 through to 31st August 2020 was a year like no other for the Foundation of Light. The first six months of the year saw strong and sustained growth across programmes and for the Foundation of Light, with over 20,000 children, young people and families supported, and an average weekly attendance of nearly 7,000 visitors a week to our home, at the Beacon of Light, between September 2019 and February 2020.

We have continued to develop outreach in schools, community centres and playing fields in some of the most deprived communities of Sunderland, South Tyneside and Durham, working across over 40 programmes in areas of education, health and wellbeing, world of work, and sport and play. This included over 2,000 participants with a disability, 30% girls and women, and over 300 families. Over 100 schools have been supported, 280 businesses involved, and 170 volunteers contributed over 130 hours a week to charitable activity.

Trustees' Report for the year ended 31 August 2020 (continued)

Staff are trained in areas including youthwork, primary teaching, hospitality, and ICT. New additions to the team included a Hospitality Officer, Head of Informal and Community Education and Health Coordinator. We also restructured our Marketing and Communications department with a revised forward-thinking and commercially orientated strategy, welcoming a new Head of Marketing and Communications role and a new Digital Marketing Manager.

In March when lockdown commenced, we worked hard to adapt and change to the new world, making bold and innovative decisions which ensured we continued to support our communities through challenging times. New innovations in the year included:

- Kicks Targeted – working in partnership with Northumbria Police and Together for Children we have worked closely with 22 families and their young people who are at risk of falling into crime and anti-social behaviour.

- Tackling Loneliness Together – supporting older people in our communities who have found themselves socially isolated. We have supported over 1,500 people across the region with free telephone befriending, care packages, 'garden gate visits', online activities and activity books, ensuring they stay mentally and physically healthy at home.

- Isolation to Education – 15 new online courses created for adults and family learning, which have been specifically created to support those who are on furlough or have been made unemployed as a result of the pandemic. Family learning courses are based on the national curriculum, whilst adult learning is accredited by Pearson and offers Level 1 and Level 2 opportunities.

- Be a Game Changer – commissioned by the Suicide Prevention Network, the Foundation is delivering a mental health programme in partnership with the Newcastle United Foundation. Primary objective is to use the power of football to reduce the stigma of mental health challenges within the male population and reduce the male suicide in the region.

- The National Citizen Service (NCS) – following a successful pilot in delivered in September 2019, the programme was fully integrated into Foundation programme delivery this year. NCS provides young people with the chance to take part in activities around adventure, discovery and social action. This year we have supported nearly 2,500 young people in Years 10 and 11 across 19 secondary schools, with 94 young people progressing to become volunteers.

- The Scholarship Programme - now includes Futsal alongside Coaches Academy and football (male and female) increasing its cohort to 118 post 16 young people. An OFSTED inspection for the programme as part of the Tyne Coast College inspection indicated we were graded good. Two scholars secured scholarships to study and pay in America.

- Sunderland Regional Talent Centre (for gifted and talented young females) was attended by 67 players per week with two players from the U16s team progressing into SAFC Ladies. The Player Development Centre continued to grow supporting 400 young players throughout the year.

- The Foundation continued to deliver Premier League Primary Stars, Enterprise and Kicks with over 8,000 children taking part in PE and PHSE through Primary Stars and 847 young people took part in positive activities through Kicks, which opened a new session in Stanley, County Durham.

Trustees' Report for the year ended 31 August 2020 (continued)

- The Beacon of Light welcomed new tenants – the NHS Veteran's Mental Health Complex Treatment Service and the NHS Norther Gambling Addiction Clinic, as well as the Military Preparation College.

The Foundation has also supported a variety of campaigns including Black History Month, World Book Day, EFL Day of Action, foodbank collections, The Salvation Army Angel Tree, Macmillan Coffee Mornings and National Hydration Week. Also, working in partnership with Sunderland AFC, the partners have signed the Armed Forces Covenant and were awarded the Silver Award in the Employer Recognition Scheme, showing our commitment to supporting those who serve, have served and their families.

Over £3.5million was raised from valued partners and supporters including grants from government, local authorities, associations and foundations, and gifts from individuals. Over £45,000 from SAFC fans was raised through our annual Foundation Match Day and through a new fundraising campaign called Sunderland Together. Thanks go to all supporters for their contribution.

Successful events included the 2.6 Virtual Challenge, inaugural E-Sports Challenge at the Beacon, North East Automotive Expo and Big Bang Stem Event for Primary and Secondary schools. The Foundation won a range of awards including being names as the Best Community Football Scheme (outside the Premier League) at the Football Business Awards; the Beacon was named in RIBA's Great British Buildings and in 2019; Sunderland Echo Portfolio Awards Social Enterprise Award; and CIPR Pride NE Award for Best Low Budget campaign for Give a Quid.

Financial Review

The results for the charity for the year ended 31 August 2020, reflect total income of £4,014,011 (31 August 2019: £3,092,083) and total expenditure of £3,101,641 (31 August 2019: £3,724,182) resulting in net income of £912,371 (31 August 2019: net expenditure £632,099). The net assets of the Charity are £962,732 (31 August 2019: £50,362).

The results for the Group for the year ended 31 August 2020 reflect total income of £4,374,585 (31 August 2019: £3,754,704) and total expenditure of £4,239,192 (31 August 2019: £4,775,419) resulting in net income of £135,393 (31 August 2019: £1,020,715 net expenditure). The Group results include £59,882 (31 August 2019: £337,569) of grants received in the year by Beacon of Light Limited (a wholly owned subsidiary of the Foundation of Light), as a funding contribution towards the construction of the Beacon of Light. In the Group accounts this grant has been recognised as income upon receipt, in accordance with the SORP 2015 section 5.27. In the Beacon of Light Limited company accounts, the grant is accounted for on an accrual basis and, as such, is held on the balance sheet as deferred income at the year-end. Associated expenditure on the project has been capitalised, and depreciation is charged over the economic useful life of the building.

During the year the Group successfully reclaimed over £900,000 of VAT previously paid on the construction of the Beacon and this was received in full in Spring 2020, thereby reducing prior years debtors.

Investment Procedures and Policy

At the present time, the reserves of Foundation of Light are held on interest bearing cash deposits in order to meet on-going liquidity requirements. The Trustees have powers to invest the funds as they see fit, as set out in the Memorandum and Articles of Association.

Trustees' Report for the year ended 31 August 2020 (continued)

Reserves Policy

The total annual running costs of Foundation of Light (Group), assuming current programmes continue, are expected to be £3.1 million (excluding Gift in Kind). A large proportion of the running costs will be met by future grants and contracts which are expected to be received, subject to certain conditions of performance in addition to fundraising activities. The aim is to sustain enough unrestricted reserves to meet three months running costs of Group and the Charity estimated at £1 million and £0.75million. The unrestricted reserves (adjusted for fixed assets) were £0.2million for Group and £0.9million for the Charity at 31 August 2020 with a strategy in place to continue to meet the reserve target in the subsequent financial year.

Plans for Future Years

The sole purpose of the Foundation of Light is to improve the lives of our communities. At a time when Covid-19 has affected everyone, austerity measures are impacting the most deprived areas of the North East, anti-social behaviour is on the rise and life expectancies are falling, now more then ever, Charity matters.

Not only have we had to adapt and respond quickly to the ever-changing new challenges for our communities, but we have also had to adapt our business model to ensure that we protect critical revenue streams and safeguard our frontline service provision. As we start to move forward, the various lockdowns have given us a chance to reflect on what we do and the needs of our communities as we adapt to life with COVID-19.

For the most part, we have seen a large amount of positive change within the Charity. We have explored new technology to support new ways of working, we have introduced new targeted programmes and initiatives, and we have developed a close bond with our football supporters' Groups, helping our community fundraising to grow and develop.

As we start to look forward to the next five years, we will be focusing on three main priorities:

- Every contact will count with 3 million hours of meaningful, tangible engagement – focusing on the outcomes and positive impact our work has on our communities
- Being the best in our field – by investing in staff training, digital innovation and continuing to learn from others, collaborating with key partners. We will demonstrate the impact of the work that we do so our partners, funders and communities see the real difference we make.
- Creating a vibrant and sustainable Beacon of Light - as part of this, we are focused on improving our user experience, listening to our customers, using data insights and continually improving on the great quality work we deliver through the Foundation.

Although we will continue to provide support across our four core curriculum areas, we will be increasing our focus on improving the mental health and wellbeing across a spectrum of ages. The NHS will be a primary partner going forward as we develop and lead projects that take on depression and loneliness and help prevent suicide. We will also be focusing on tackling youth issues, doing more to support those who are isolated, and championing digital innovation.

As we move into a post COVID-19 world and our 20th anniversary year, we have taken time to reflect and change to ensure we are in the best possible position to support our communities as they adapt to the new way of living.

Trustees' Report for the year ended 31 August 2020 (continued)

Going Concern

The financial statements have been prepared on a going concern basis, notwithstanding that the Group has reported 2020 net income of £135,393 (2019: net expenditure of £1,020,715) and 2020 net cash inflows of £1,099,090 (2019: cash outflows of £400,165). The Group year-end balance sheet for 2020 has net current assets of £1,275,932 (2019 net current liabilities of £515,556) including cash at bank of £1,681,596 (2019: £582,505).

The primary external finance of the Group is the loan due to the Charity Bank which has an outstanding balance of £1,200,000 as at 31 August 2020 (and reduced to £1,100,000 following a capital repayment in December 2020). Interest on the loan is payable monthly, no capital repayments are required until May 2023. This loan has two covenants attached, based on interest cover and loan to value, both measured annually at the end of the financial year.

Management have prepared a base case cash flow forecast for the period ending 31 March 2022 which has been used as their basis of assessing the going concern basis of preparation. Management have also prepared a severe but plausible downside scenario forecast as part of this assessment. The assumptions in the downside scenario forecast include the following assumptions:

- Easing of lockdown restrictions within the forecast period, when it is assumed there will be a re-opening of primary and secondary schools in March 2021, a resumption of outdoor sports from April 2021, indoor sports from June 2021 and indoor events from August 2021 (during previous periods of high tier restrictions the business continued to earn commercial income from sporting and education activities);

- the use of UK Government's Job Retention Scheme through to September 2021.

Based on the more likely base forecasts to August 2021, the charity is expected to meet bank covenants. Assurance has been received of the bank's ongoing support should downward sensitivities occur.

The Directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due and for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis

On behalf of the Trustees

Sir Robert Sydney Murray CBE

7 May 2021

Foundation of Light

Statement of Responsibilities of the Trustees of Foundation of Light in respect of the Trustees' Annual Report and the Financial Statements

The Trustees, who are also the Directors of Foundation of Light for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the charitable Group 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Foundation of Light

Independent auditor's report to the members of Foundation of Light Limited

Opinion

We have audited the financial statements of Foundation of Light (the 'parent charitable company') and its subsidiaries (the 'Group') for the year ended 31 August 2020 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent charitable company's affairs as at 31 August 2020 and of the Group's 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 Group and parent 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report or the Strategic Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 13, 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 Group's and parent 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 Group or parent 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

L Robson

LUCY ROBSON (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

13/05/21

Foundation of Light

Consolidated Statement of Financial Activities for the year ended 31 August 2020 (including Income and Expenditure account)

	Note	Unrestricted funds	Restricted funds	Restricted Fixed Asset funds	Total funds 31 August 2020	Total funds 31 August 2019
		£	£	£	£	£
Income from:						
Donations and legacies	1a	812,607	-	59,882	**872,489**	533,451
Charitable activities	1b	382,299	2,322,744	-	**2,705,043**	2,591,820
Other trading activities	1c	476,121	-	-	**476,121**	626,545
Investments		-	-	-	-	2,888
Job Retention Grant from Government	1d	320,932	-	-	**320,932**	-
Total Income		**1,991,959**	**2,322,744**	**59,882**	**4,374,585**	3,754,704
Expenditure on:						
Raising funds	2a	598,584	-	-	**598,584**	665,369
Charitable activities	2b	1,011,943	2,121,300	507,365	**3,640,608**	4,110,050
Total Expenditure		**1,610,527**	**2,121,300**	**507,365**	**4,239,192**	4,775,419
Net expenditure/income		**381,432**	**201,444**	**(447,483)**	**135,393**	(1,020,715)
Transfers between funds	10	-	-		-	-
Net movement in funds		**381,432**	**201,444**	**(447,483)**	**135,393**	(1,020,715)
Total funds brought forward		**(186,920)**	**21**	**18,308,111**	**18,121,212**	19,141,927
Total funds carried forward		**194,512**	**201,465**	**17,860,628**	**18,256,605**	18,121,212

All gains and losses recognised in the year are included in the Statement of Financial Activities.

All income and expenditure are derived from continuing activities.

There is no difference between the net incoming resources shown above and their historical cost equivalents.

Outturn for year ended 31 August 2020 excluding depreciation and interest of £581,335, would give a EBITDA of £716,728 for the year.

Foundation of Light

Consolidated Balance Sheet as at 31 August 2020

	Note	31 August 2020	31 August 2019
		£	£
Fixed assets			
Property, Plant and Equipment	5	**18,180,673**	18,636,768
Total fixed assets		**18,180,673**	18,636,768
Current assets			
Debtors	7	**535,581**	1,402,518
Cash at bank and in hand		**1,681,596**	582,505
Total current assets		**2,217,176**	1,985,023
Creditors: amounts falling due within one year	8	**(941,245)**	(2,500,579)
Net current assets / (liabilities)		**1,275,932**	(515,556)
Total assets less current liabilities		**19,456,605**	18,121,212
Creditors: amounts falling due after more than one year	9	(1,200,000)	-
Net assets		**18,256,605**	18,121,212
The funds of the group:			
Restricted funds			
Restricted Fixed Asset Funds	10	**17,860,628**	18,308,111
Restricted Income Funds	10	**201,465**	21
Total restricted funds		**18,062,093**	18,308,132
Unrestricted income funds			
General funds	10	**144,150**	(237,282)
Designated funds	10	**50,362**	50,362
Total unrestricted income funds		**194,512**	(186,920)
Total group funds		**18,256,605**	18,121,212

The financial statements on pages 16 to 38 were approved by the Trustees on 7 May 2021 and were signed on their behalf by:

Sir Robert Sydney Murray CBE
Trustee

Foundation of Light

Company Balance Sheet as at 31 August 2020

	Note	31 August 2020	31 August 2019
		£	£
Fixed assets			
Property, Plant and Equipment	5	**30,031**	34,209
Investments	6	**2**	2
Total fixed assets		**30,033**	34,211
Current assets			
Debtors	7	**1,639,591**	1,906,480
Cash at bank and in hand		**1,025,037**	519,644
Total current assets		**2,664,628**	2,426,124
Creditors: amounts falling due within one year	8	**(531,929)**	(2,409,973)
Net current assets		**2,132,699**	16,151
Total assets less current liabilities		**2,162,732**	50,362
Creditors: amounts falling due after more than one year	9	**(1,200,000)**	-
Net assets		**962,732**	50,362
The funds of the charity:			
Restricted income funds	10	**4,448**	-
Unrestricted income funds			
General funds	10	**907,922**	-
Designated funds	10	**50,362**	50,362
Total unrestricted income funds		**958,284**	50,362
Total charity funds		**962,732**	50,362

The income for the Foundation is £4,014,011 giving net income after expenditure of £912,370 (2019: income of £2,129,654 and net expenditure of £632,099), net assets of the Foundation are £962,732 (31 August 2019: £50,362).

The financial statements on pages 16 to 38 were approved by the Trustees on 7 May 2021 and were signed on their behalf by:

Sir Robert Sydney Murray CBE
Trustee

Foundation of Light

Consolidated Cashflow for the year ended 31 August 2020

	For the year ending 31 August 2020	For the year ending 31 August 2019
	£	£
Net cashflows from/(used in) by operating activities:	**1,373,331**	(150,919)
Cashflows from investing activities:		
Dividends, interest and rent from investments	-	2,888
Purchase of property, plant and equipment	**(79,460)**	(201,430)
Disposals of Property Assets	-	-
Net cash used in investing activities	**(79,460)**	(198,542)
Cashflows from financing activities:		
Proceeds from borrowings	-	-
Capital repayment of finance leases	-	-
Loan Repayments	**(149,000)**	-
Interest paid on borrowings	**(45,781)**	(50,725)
Net cash generated/(used) in financing activities	**(194,781)**	(50,725)
Change in cash and cash equivalents in the period	**1,099,090**	(400,165)
Cash and cash equivalents at the beginning of the period	**582,505**	982,670
Cash and cash equivalents at the end of the period	**1,681,596**	582,505
Reconciliation of net movement in funds to net cashflows from operating activities:		
Net movement in funds	**135,393**	(1,020,715)
Adjustments for:		
Depreciation charges	**535,554**	536,951
Fixed asset revision of recoverable VAT	-	921,725
Amortisation charges	-	-
Interest payable	**45,781**	47,837
Decrease/(increase) in debtors	**866,937**	(566,007)
Decrease in creditors	**(210,334)**	(70,710)
Net cash provided by operating activities	**1,373,331**	(150,919)

Foundation of Light

Accounting Policies

The Group financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006, applicable accounting standards in the United Kingdom, including the Statement of Recommended Practice: Accounting and Reporting by Charities 2015 (SORP) and the Charities Act 2011. The accounts have been prepared on a going concern basis and the accounting policies have been applied consistently.

Basis of Consolidation

The Group financial statements consolidate the results of the Charity and its wholly owned subsidiaries, Beacon of Light Limited and Altruism Limited using accounting policies consistently applied across the Group, and after eliminating intra-Group transactions.

Going Concern

The financial statements have been prepared on a going concern basis, notwithstanding that the Group has reported 2020 net income of £135,393 (2019: net expenditure of £1,020,715) and 2020 net cash inflows of £1,099,090 (2019: cash outflows of £400,165). The Group year-end balance sheet for 2020 has net current liabilities of £1,275,932 (2019: £515,556) including cash at bank of £1,681,596 (2019: £582,505).

The primary external finance of the Group is the loan due to the Charity Bank which has an outstanding balance of £1,2000,000 as at 31 August 2020 (and reduced to £1,100,000 following a capital repayment in December 2020). Interest on the loan is payable monthly, no capital repayments are required until May 2023. This loan has three covenants attached, based on interest cover, debt service cover and loan to value, with each measured annually at the end of the financial year.

Based on the more likely base forecasts to August 2021, the charity is expected to meet bank covenants. Assurance has been received of the bank's ongoing support should downward sensitivities occur.

The directors are confident therefore that the company will have sufficient funds to continue to meet its liabilities as they fall due and for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Gift in Kind

Gift in kind is received from Sunderland AFC in the form of products and services given freely and staff time donated, as well as from other sources. Where they can be quantified, gift in kind is included within the statement of financial activities as both income and expense.

Accounting Policies (continued)

Income

Voluntary income including donations, gifts and legacies and grants that provide core funding which are general in nature are recognised when there is entitlement, probability of receipt and the amount can be measured with sufficient reliability.

Investment income is recognised on a receivable basis and arises from an interest-bearing deposit account. The Charity only recognise interest on bonds when it is unconditional, and hence all conditions of the bond have been met, and it has matured

Income from charitable activities includes income received under contract or, where entitlement to grant funding is subject to specific performance conditions, is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability.

Donations are recognised when received unless the receipt is probable, when they are recognised as accrued income. Donations and grants received for specific purposes are classed as restricted and are deferred until the Charity is entitled to the funding and has met the conditions set out in the funding agreement.

Beacon of Light capital grant income is funding received by Beacon of Light Limited toward the construction of the Beacon of Light facility. In the consolidated SOFA, capital grants are recognised upon receipt, as required by paragraph 5.27 of the SORP.

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Expenditure

Expenditure is accounted for on an accruals basis as a liability is incurred and includes irrecoverable VAT as applicable. Contractual arrangements and performance-related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises resulting in the payment being unavoidable.

- Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- Charitable activities include expenditure associated with the delivery of education activities and include both the direct costs and support costs relating to these activities.
- Governance costs include those incurred in the governance of the Charity and its assets and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions and have been allocated based on income.

Foundation of Light

Accounting Policies (continued)

Redundancy and Termination Benefits
Redundancy and termination benefits are accrued by the charity when there is a constructive obligation to pay them. This is normally via a contractual, legislation or other agreement with employees and their representatives.

Intangible Fixed Assets
The Foundation of Light website and the development of an operational IT system have been classified as intangible fixed assets. Amortisation has been provided on a straight-line basis over the estimated useful life of the assets, with a full month's amortisation charge in the month of completion, at a rate of 33% per annum. The assets have been capitalised at cost, comprising all directly attributable costs required to bring them into working condition.

Tangible Fixed Assets
Individual fixed assets costing £500 or more are capitalised at cost. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on a straight-line basis over the estimated useful life of the asset with a full month's depreciation charged in the month of acquisition. Principal rates used are:

Computer Equipment	33%
Buildings	2% - 10%
Fixtures and Fittings	25%

The Beacon is classified under Buildings, as the facility is used by the charity as a functional property to further the charitable objectives of the Charity. The building will be depreciated over its anticipated useful economic life. The anticipated useful economic life is 50 years.

Fundraising
Fundraising income and expenditure are accounted for on an accruals basis and is classified as unrestricted.

Funds
Restricted funds are funds raised or donated for a specific purpose. All other funds are classified as unrestricted.

Surplus funds held are deposited with Barclays Bank and Nationwide to earn interest prior to utilisation by the Foundation.

There are two designated funds; one is to set aside funding to cover any charity wind-up costs if required, and the other is to build a reserve to fund the replacement of fixed assets.

Operating Leases
The charity classifies the lease of minibuses and photocopying equipment as operating leases. Rental charges are charged on a straight-line basis over the term of the lease.

Finance Leases
Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors.

Accounting Policies (continued)

Judgements and Key Sources of Estimation Uncertainty

In the application of the company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount 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 Directors do not consider that there are any significant judgements or estimates included in the financial statements.

Foundation of Light

Notes to the Financial Statements for the year ended 31 August 2020

1 Group Income

(a) Donations and Legacies

	Unrestricted £	Restricted £	**For the year ending 31 August 2020 £**	Unrestricted	Restricted	For the year ending 31 August 2019 £
Gifts, Donations and legacies	561,596		**561,596**	80,788		80,788
Capital Grants[1]		59,882	**59,882**		337,569	337,569
Grants of a general nature from government and charitable foundations	240,000		**240,000**	85,406		85,406
Membership, Subscriptions and Sponsorship	11,011		**11,011**		29,688	29,688
	812,607	59,882	**872,489**	166,194	367,257	533,451

[1] In 2014 a wholly owned subsidiary of the Foundation, Beacon of Light Limited, was established for the purpose of constructing and running a new iconic facility, the Beacon of Light. During the year £59,882 (2019: £337,569) has been received from several funders as retention to support the construction. This funding is treated as a deferred capital grant within the Beacon of Light financial statements. However, in accordance with the Charities SORP, this funding has been treated as income on consolidation. The cumulative size and nature of this funding, it has been separately disclosed and is restricted, as it cannot be used for the general purposes and expenses of the Foundation.

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

(b) Income from charitable activities

By Source of Funding	Unrestricted £	Restricted £	For the year ending 31 August 2020 £	For the year ending 31 August 2019 £
Football coaching sales	243,121	-	**243,121**	-
Sale of services as part of the direct charitable activities	139,178	-	**139,178**	523,516
Contractual payments from government or public authorities	-	902,775	**902,775**	574,608
Performance related grants where level of income depends on volume of service provided	-	1,383,905	**1,383,905**	1,469,116
Gift in kind	-	36,064	**36,064**	24,580
	382,299	2,322,744	**2,705,043**	2,591,820

In the prior period, income from charitable activities received, comprised of £491,854 unrestricted funds and restricted income of £2,099,966.

By Charitable Activity	Unrestricted £	Restricted £	For the year ending 31 August 2020 £	For the year ending 31 August 2019 £
Sport and Play	301,948	216,950	**518,898**	1,262,515
Education	-	510,778	**510,778**	166,128
World of Work	14,390	510,854	**525,244**	354,985
Community[1]	2,370	885,652	**888,022**	-
Health	1,439	98,920	**100,359**	246,026
Core	62,152	99,590	**161,742**	562,166
	382,299	2,322,744	**2,705,043**	2,591,820

[1] Community Funding was included in other categories in prior year

(a) Other trading activities

	Unrestricted £	Restricted £	**For the year ending 31 August 2020 £**	For the year ending 31 August 2019 £
Fundraising events	12,230	-	**12,230**	74,989
Sponsorships and lottery	72,733	-	**72,733**	96,912
Letting arrangements for Property	10,083	-	**10,083**	15,000
Trading activity	379,007	-	**379,007**	438,604
Gift in kind	2,068	-	**2,068**	1,040
	476,121	-	**476,121**	626,545

In the prior year, income from other trading activities received, comprised solely of £626,545 unrestricted income.

(d) Job Retention Grant from the Government

Income amount received in current financial year to 31 August 2020 was £320,932.

2 Group Expenditure

a) Expenditure on raising funds

	For the year ending 31 August 2020 £	For the year ending 31 August 2019 £
Cost of seeking donations and grants	**162,997**	215,517
Fundraising events	**19,633**	59,370
Sponsorships and lottery	**29,050**	32,611
Membership scheme	**1,250**	80
Other running costs	**367,420**	348,056
Marketing and publicity	**16,166**	8,695
Gift in kind	**2,068**	1,040
	598,584	665,369

All expenditure relates to raising unrestricted funds and hence all expenditure has been allocated to the unrestricted fund. This treatment is also applicable to the prior year.

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

b) Expenditure by Charitable Activity

	Sport and Play £	World of Work £	Education £	Community £	Health £	Beacon of Light £	Core £	**2020 £**	2019 £
Gift in kind	10,722	9,722	7,500	8,120	-	-	-	**36,064**	24,580
Education	472,991	353,461	529,250	240,330	97,535	-	-	**1,693,567**	2,890,552
Depreciation	2,645	2,645	2,645	2,645	2,645	507,364	-	**520,589**	526,139
Redundancy	-	26,436	-	-	-	-	-	**26,436**	-
Building[1]	98,706	99,914	97,162	168,922	19,090	-	-	**483,794**	531,477
Support cost (c)	139,411	141,116	137,229	238,582	26,963	-	161,742	**845,043**	106,720
Governance (d)	7,023	7,023	7,023	7,023	7,023	-	-	**35,115**	30,576
	731,498	**640,317**	**780,809**	**665,622**	**153,256**	**507,364**	**161,742**	**3,640,608**	4,110,044

Expenditure on charitable activities comprised of £1,011,943 unrestricted (year ending 31 August 2019: £721,943) and £2,628,665 restricted funds (year ending 31 August 2019: £3,388,101).

Depreciation charges represent the write down of capitalised Beacon of Light building, fit out costs and IT equipment, in addition to staff and participant IT equipment and outreach centre fixtures and fittings. Support costs are staffing and overheads for functions such as Directors, Finance, Admin, IT and HR and are allocated based on income.

Expenditure is allocated between the restricted and unrestricted funds based on the project to which it relates; expenditure relating to the generation of unrestricted income such as the sales of sports and play coaching courses is classified as unrestricted expenditure, while expenditure relating to restricted grant funded programme is classified as restricted expenditure.

[1] Building costs relate to the staffing and overheads associated with operating the Beacon of Light facility

[2] Support cost staffing and overheads in the prior year were partially absorbed into education activities.

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

c) Expenditure by Support Costs

	Sport and Play	World of Work	Education	Community	Health	Core	**2020**	2019
	£	£	£	£	£	£	**£**	£
Administration	58,801	59,520	57,881	100,630	11,373	68,220	**356,425**	45,014
Director's	42,016	42,530	41,358	71,904	8,126	48,746	**254,680**	32,163
Finance Dept	20,201	20,448	19,885	34,572	3,906	23,437	**122,449**	15,464
HR Dept	5,138	5,201	5,058	8,793	994	5,961	**31,145**	3,933
IT Dept	13,255	13,417	13,047	22,683	2,564	15,378	**80,344**	10,146
	139,411	**141,116**	**137,229**	**238,582**	**26,963**	**161,742**	**845,043**	106,720

Support cost staffing and overheads in the prior year were partially absorbed into education activities.

(d) Governance Costs - Group

	For the year ending 31 August 2020	For the year ending 31 August 2019
Audit Fees	**22,500**	20,000
UNW VAT Fees	**12,617**	-
Governance Meetings	-	10,576
Total Costs - group	**35,117**	30,576

Governance costs are allocated on a straight line basis.

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

3 Group Staff Costs

	Year ending 31 August 2020 £	Year ending 31 August 2019 £
Staff costs:		
Wages and salaries	**2,194,875**	2,383,513
Social security costs	**170,879**	188,728
Other pension costs	**54,428**	63,708
Redundancy costs	**86,425**	-
	2,506,607	2,635,949

Two employees received total employee benefits for the reporting period, one at £60,000 - £70,000 & one at £80,000 - £90,000 (31 August 2019: one employee). For staff paid over £60,000 pension contributions of £7,140 were made (31 August 2019: £5,825). Key Management detailed on page 1 cumulatively received £272,120 (4 employees) in employee benefits in 2020 (31 August 2019: £242,270 (4 employees)).

The Trustees are not entitled to, and did not receive, any remuneration for their services to the Charity (31 August 2019: £nil). Expenses reimbursed amounted to £nil (31 August 2019: £nil).

The Foundation has an Aviva defined contribution pension scheme which is open to all permanent employees after successful completion of their probation period. The Foundation makes a standard contribution of 3% of basic salary on behalf of the members, at a cost of £30,436 (2019: £48,688) in the year. At the period end £5,030 (2019: £6,862) in payable contributions were outstanding. The Foundation has also been required to auto-enrol all eligible employees into a pension scheme since July 2014, as such, all new employees are automatically enrolled into the NEST governmental defined contribution scheme. Employees are required to make a 3% contribution which is matched by the Foundation. The cost of the NEST scheme in 2020 was £23,992 (2019: £15,020). At the year end there were £4,547 (2019: £3,724) payable contributions outstanding. These pension costs would be allocated as per staff costs based on project/activity allocations.

The monthly average number of persons employed by the Group and Charity during the year was 135 (31 August 2019: 149). The average number of full-time staff members was 91 (31 August 2019: 90) and those on part time and casual contracts was 44 (31 August 2019: 59). All staff are employed for the furtherance of the Charity's objectives.
Staff employed can be further analysed as follows:

	Year ending 31 August 2020 Number	Year ending 31 August 2019 Number
Delivery Staff	**105**	106
Support and Administration	**9**	19
Beacon of Light Operations	**7**	12
Commercial and Marketing	**10**	8
Directors	**4**	4
	135	149

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

4 Net incoming/(outgoing) resources before transfers

Net incoming/(outgoing) resources for the parent and Group are stated after charging:

	Year ending 31 August 2020	Year ending 31 August 2019
	£	£
Audit fee	**22,500**	20,000
Depreciation	**535,554**	536,951
Amortisation	**-**	-
Operating lease costs:		
- plant and machinery	**21,819**	22,991
Bank Interest	**45,781**	47,837
Non Audit Fees for Tax Compliance services	**4,000**	4,000

£Nil depreciation charged in the year related to leased assets (31 August 2019: £Nil).

5 Property, Plant and Equipment

Charity	Computer Equipment	Leasehold Buildings	Fixtures and Fittings	Total
	£	£	£	£
Cost				
As at 1 September 2019	**264,418**	**75,706**	**208,213**	**548,337**
Additions	9,042	-	-	9,042
As at 31 August 2020	**273,460**	**75,706**	**208,213**	**557,379**
Accumulated Depreciation				
As at 1 September 2019	**237,462**	**72,590**	**204,076**	**514,128**
Charge for the Period	8,770	1,039	3,411	**13,220**
At 31 August 2020	**246,232**	**73,629**	**207,487**	**527,348**
Net book value				
At 31 August 2020	**27,227**	**2,077**	**727**	**30,031**
At 31 August 2019	26,956	3,116	4,137	34,209

Group	Computer Equipment	Freehold Buildings	Leasehold Buildings	Fixtures and Fittings	Total
	£	£	£	£	£
Cost					
As at 1 September 2019	**463,085**	**18,691,276**	**75,706**	**431,763**	**19,661,830**
Additions	10,827	29,425	-	39,211	**79,463**
As at 31 August 2020	**473,912**	**18,720,701**	**75,706**	**470,974**	**19,741,293**
Accumulated					
As at 1 September 2019	303,056	391,505	72,590	257,911	1,025,062
Charge for the Period	95,379	372,696	1,039	66,440	535,554
At 31 August 2020	**398,435**	**764,201**	**73,629**	**324,351**	**1,560,616**
Net book value	**75,476**	**17,956,500**	**2,077**	**146,624**	**18,180,677**
At 31 August 2019	160,029	18,299,771	3,116	173,852	18,636,768

6 Investments

The Foundation has a wholly owned subsidiary, Altruism Limited (previously SAFC Community Limited), a company incorporated in England and Wales registration number 04303983. The purpose of the company is to operate the commercial trading at the Beacon of Light, predominantly sport facility hire, meetings and events. The net liabilities of the subsidiary as at 31 August 2020 were £630,627 (31 August 2019: net liabilities of £253,404).

The Foundation also has a wholly-owned trading subsidiary, Beacon of Light Limited registration number 09221229, which was established in September 2014. The purpose of the company is to construct and run the Beacon of Light facility. The net liabilities of the subsidiary as at 31 August 2020 were £278,016 (31 August 2019 net liabilities of: £237,605).

Both subsidiaries share the same registered address as the Foundation of Light; Beacon of Light, Stadium Way, Sunderland, SR5 1SN.

7 Debtors

	Charity 31 August 2020	Charity 31 August 2019	Group 31 August 2020	Group 31 August 2019
	£	£	£	£
Trade Debtors	**68,417**	246,103	**149,254**	310,895
Amounts due from Group undertakings	**1,322,550**	1,525,433	-	-
Recoverable VAT	-	-	-	921,735
Amounts due from Sunderland AFC Ltd	**12,920**	27,955	**17,224**	27,955
Other Debtors	-	-	**111,100**	30,067
Prepayments and accrued income	**235,704**	106,989	**258,003**	111,866
	1,639,591	1,906,480	**535,581**	1,402,518

Amounts due from Group Undertakings relate to inter-company balances and loans with the Charity's two subsidiaries Beacon of Light Ltd and Altruism Ltd and bear no interest and are repayable on demand. At the date of sign off Trustees have confirmed that they will not seek to recover these amounts within the 12 months from the date of approval of the financial statements.

8 Creditors: amounts falling due within one year

	Charity 31 August 2020	Charity 31 August 2019	Group 31 August 2020	Group 31 August 2019
	£	£	£	£
Trade Creditors	**(51,629)**	405,422	**271,384**	220,510
Amounts due to Sunderland AFC Ltd	**61,793**	46,381	**61,793**	46,381
Other Creditors	**70,661**	129,063	**119,936**	129,068
Amounts due to Group undertakings	**67,238**	-	-	-
Accruals and deferred income	**383,866**	480,107	**488,132**	755,620
Charity Bank Loan	-	1,349,000	-	1,349,000
	531,929	2,409,973	**941,245**	2,500,579

For the year to 31 August 2020, the Charity Bank loan has been re-classified to creditors due more than one year, as the Group remained within the covenants of the loan and it was not repayable upon demand.

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

Deferred income can be further analysed as follows:

	Charity for the year ending 31 August 2020	Group for the year ending 31 August 2020
	£	£
Balance brought forward	425,946	425,946
Recognised in year	2,194,384	2,249,186
Released in year	(2,303,514)	(2,303,514)
Balance carried forward	**316,816**	**371,618**

Income is deferred based on the calendar period the activity takes place.

9 Creditors: amounts falling due after one year

	Charity	Charity	Group	Group
	31 August 2020	31 August 2019	31 August 2020	31 August 2019
	£	£	£	£
Charity Bank Loan	1,200,000	-	1,200,000	-

The Charity Bank Loan was secured at the end of 2017. It was drawn down in January 2018 and February 2018 to pay capital construction creditors in respect of the Beacon of Light Project. Under the terms of the agreement, the loan is repayable in full, five years after the initial drawdown, in May 2023 subject to a loan covenants based on interest cover and a property loan to value. The loan carries an interest rate of 3% above the bank rate.

10 Analysis of Net Assets

Charity

Fund balances at 31 August 2020 are represented by:	Unrestricted	Restricted	Total
	£	£	£
Tangible Fixed Assets	-	30,031	**30,031**
Investments	-	2	**2**
Net Current Assets	958,284	1,174,415	**2,132,699**
Creditors: amounts falling due after one year	-	(1,200,000)	**(1,200,000)**
Total funds	958,284	4,448	**962,732**

The funds can be further analysed as follows:

	1 September 2019	Income	Expenditure	Transfers	31 August 2020
	£	£	£	£	£
General funds	-	1,691,267	(783,345)	-	**907,922**
Designated funds					
Contingency fund	50,362	-	-	-	**50,362**
Total designated funds	**50,362**	-	-	-	**50,362**
Total unrestricted funds	50,362	1,691,267	(783,345)	-	**958,284**
Restricted funds:					
Education	-	510,778	(707,349)	-	**(196,571)**
World of Work	-	510,853	(538,613)	-	**(27,760)**
Sport and Play	-	216,950	(296,643)	-	**(79,693)**
Community	-	885,653	(545,046)	-	**340,607**
Health	-	98,920	(131,055)	-	**(32,135)**
Core	-	99,590	(99,590)	-	-
Total restricted funds	-	2,322,744	(2,318,296)	-	**4,448**
Total funds	50,362	4,014,011	(3,101,641)	-	**962,732**

The General Fund are free funds, which are not designated for particular purposes. There are no transfers in the year, overspends were also due to covid which are covered by ongoing grants but due to timing issues will be covered in the next financial year, we have received no indication of any claw backs to date.

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

10 Analysis of net assets (continued)

Group

Fund balances at 31 August 2020 are represented by:	Unrestricted	Restricted	**Total**
	£	£	**£**
Tangible Fixed Assets	-	18,180,673	**18,180,673**
Net Current Assets	194,512	1,081,420	**1,275,932**
Creditors: amounts falling due after 1 year	-	(1,200,000)	**(1,200,000)**
Total funds	194,512	18,062,093	**18,256,605**

The funds can be further analysed as follows:

	1 September 2019	Income	Expenditure	Transfers	**31 August 2020**
	£	£	£	£	**£**
General funds	(237,282)	1,991,959	(1,610,527)	-	**144,150**
Designated funds					
Contingency fund	50,362	-	-	-	**50,362**
Total designated funds	50,362	-	-	-	**50,362**
Total unrestricted funds	(186,920)	1,991,959	(1,610,527)	-	**194,512**
Restricted funds:					
Education	-	510,778	(662,477)	-	**(151,699)**
World of Work	-	510,854	(518,905)	-	**(8,051)**
Sport and Play	21	216,950	(251,058)	-	**(34,087)**
Community	-	885,653	(467,033)	-	**418,620**
Health	-	98,920	(122,238)	-	**(23,318)**
Core	-	99,590	(99,590)	-	-
Beacon of Light	18,308,111	59,882	(507,365)	-	**17,860,628**
Total restricted funds	18,308,132	2,382,627	(2,628,666)	-	**18,062,093**
Total funds	18,121,212	4,374,586	(4,239,193)	-	**18,256,605**

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

10 Analysis of Net Assets (continued)

During the year, transfers were not made between unrestricted and restricted funds, due to covid funds have been rolled forward between financial years and we have no indication of any claw backs to date. The Sport and Play department are partially funded by restricted grant income from Trusts and Foundations; however, the majority of funding is from unrestricted funds, particularly trading income from the delivery of courses. Community, Core, Health, Education and World of Work projects are mainly funded by grants from Trust and Foundations, Corporate funding and Public Sector contracts; the balance is funded from unrestricted funds.

A description of each restricted fund is given below:

Education	Includes Post 16 Football Scholarship and, Premier League Inspires.
World of Work	Family Learning programmes (based in Durham, Sunderland, and South Tyneside), Back on Track and Back in the Game (employability courses) and Apprenticeships.
Sport and Play	Community football teams, Premier League Primary Stars, and in and out of curriculum coaching in Durham, Sunderland, and South Tyneside.
Health	Includes Tackling Loneliness, Get Out Get Active, Extra Time Hubs (veterans and over 55's) and men's health projects
Community	Premier League Kicks (youth work provision), You Only Live Once (youth mentoring), Making Moves (Disability) and the National Citizenship Service (NCS).
Beacon of Light	Grant funding received for the construction of the Beacon of light facility, funding capital expenditure on the project and the depreciation charges on the build.
Core	Digital, including website and E-Learning platform.

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

11 Financial Commitments

Operating lease commitments

At 31 August the Group had total commitments under non-cancellable operating leases, as follows:

	31 August 2020			31 August 2019		
Group	**Land and buildings**	**Other**	**Total**	Land and buildings	Other	Total
	£	£	£	£	£	£
Within one year	-	17,312	**17,312**	-	12,958	12,958
Between one to five years	-	9,202	**9,202**	-	32,395	32,395
Total	-	26,515	**26,515**	-	45,353	45,353

12 Related Party Transactions

During the year the Club provided many services to the Foundation. The Foundation received quantifiable gifts in kind from Sunderland AFC Limited of £36,064 (year ending 31 August 2019: £24,580) which has been included as income (from charitable activities) and expenditure (education and fundraising).

The Foundation did not receive donations from Sunderland AFC Limited by way of a percentage of cashback ticket sales, player fines and general donations; this amounted to £ Nil in the financial year (year ending 31 August 2019: £nil). Details of the Foundation's relationship with the Club can be found on page 4 of the Trustees' report.

The Foundation continues to sponsor an Alternative Provision Free School, Beacon of Light School, which received its first intake of pupils in September 2017. Lesley Spuhler OBE (Chief Executive) is a Member of Beacon of Light School and James Wright (Managing Director) is a school governor. Income, being recharges of invoices and services in the year totalled £102,492 (year ending 31 August 2019: £450,804).

The Foundation received donations from Trustee's in the year of £265,819 (year ending 31 August 2019: £nil).