

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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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.


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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 thank you too for taking an interest in our work: we could not do it without you.



Sir Bob Murray CBE

4 May 2024

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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

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

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:

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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

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

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

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

- 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.

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

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

Football continues to increase post pandemic and the Beacon of Light has welcomed not only thousands of participants but also event attendees, 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

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

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.

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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.

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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.

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

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

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

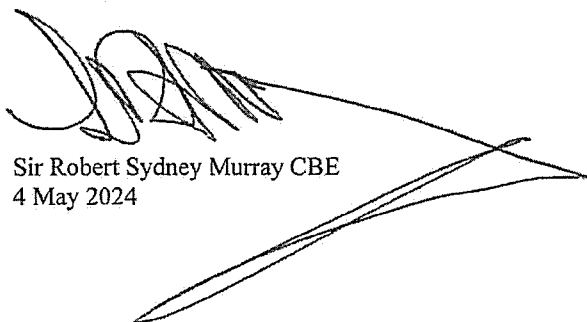
funding that has already been secured as well as including assumptions that renewals of regular funders will take place.

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.

Foundation of Light

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.

Foundation of Light

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.

Foundation of Light

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	2c	-	-	-	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	2c	-	-	-	-	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.

	31 August 2023	31 August 2022
	£	£
Trading EBITDA		
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:

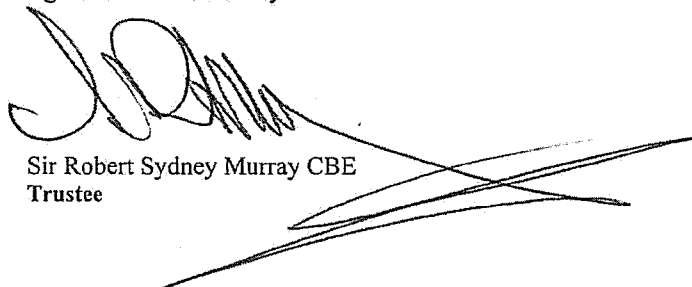
Restricted funds

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

Foundation of Light

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

Foundation of Light

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	-

Foundation of Light

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.

Foundation of Light

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.

Foundation of Light

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

	For the year ending 31 August 2023 £	For the year ending 31 August 2022 £
(d) Governance Costs - Group		
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.

Foundation of Light

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
	£	£
<hr/>		
<i>Business rates</i>		
Business rates relating to the period of June 2018 – August 2021	-	179,905
<hr/>		

e) Exceptional item – Charity

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

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.

Foundation of Light

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.

Foundation of Light

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).

Foundation of Light

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

Foundation of Light

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

Foundation of Light

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

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.

Foundation of Light

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

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.

Foundation of Light

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 31 August 2023	Charity 31 August 2022	Group 31 August 2023	Group 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.

Foundation of Light

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

Foundation of Light

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

Foundation of Light

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.

Foundation of Light

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:

Group	31 August 2023			31 August 2022		
	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).