

Charity Registration No. 1124896

Company Registration No. 06412345 (England and Wales)

**NEWCASTLE UNITED FOUNDATION
(A CHARITABLE COMPANY LIMITED BY
GUARANTEE)**

**TRUSTEES' REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY 2020**

NEWCASTLE UNITED FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	J P B Marshall C Alexander F Ameobi L Charnley S A Harper G Mason M F Percy M R Thompson B Thorpe
Charity number	1124896
Company number	06412345
Registered office	St James' Park Newcastle upon Tyne Tyne and Wear NE1 4ST
Auditor	RSM UK Audit LLP Chartered Accountants 1 St. James' Gate Newcastle upon Tyne NE1 4AD
Solicitors	Muckle LLP Time Central 32 Gallowgate Newcastle upon Tyne NE1 4BF

NEWCASTLE UNITED FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2020

The trustees present their report and consolidated financial statements for the year ended 31 July 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 and the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

The year started with a change in Leadership positions after the Head of Foundation accepted a secondment working for Newcastle United FC. This created an exciting internal opportunity for a period of secondments across the Senior Management Team (SMT) which were all made permanent in February 2020. There were some significant changes to the organisational chart including the creation of a new Deputy Head of Foundation position, as well as increasing the membership of SMT from four to six people to help increase the expertise, resilience and decision making capabilities.

In order to provide adequate governance for our capital project, NUCASTLE, additional trustees were brought onto the Newcastle United Projects Limited board. Alongside a robust reporting structure into the main Foundation board, this has helped to provide the accountability and decision making needed to support the campaign to raise the funds and develop the project in line with our ambitions to open the new centre in 2022.

Following a period of planning we launched our new mission, vision and values internally with staff and linked this with our performance management training, in particular, how we live the values and demonstrate, recognise and reward behaviours through our programme delivery and culture as an organisation.

During the year we secured the final funding required for the demolition and construction of the Murray House community centre, which commenced in November 2020. The new facility, named NUCASTLE, will be an accessible and inclusive learning, recreation and community hub. The grants and donations to fund the capital build during the current year total £1.9m and these are accounted for as restricted fund income. This funding is in place in advance of the construction expenditure, and, as a result, the level of surplus in the current year is significantly increased. Expenditure against this restricted fund will take place as the construction project progresses with completion scheduled for Spring 2022. This is discussed in more detail in the financial review section on pages 6 - 7.

Vision

A united community, full of passion, pride and potential.

Mission

Football has an extraordinary power in our region. It connects, motivates, inspires and engages. From children to adults, we work with generations in our community. Through our sporting, education, personal development and health programmes, we help people to be more active, to learn, to be more employable, to be healthier, to make connections and to reach their potential. We are proud of our history but even more excited for our future.

Values

- We are ambitious and inspire people to achieve their goals.
- We are determined and lead by example.
- We are reflective, celebrating success and sharing our learning.
- We are united in our commitment to equality, diversity and inclusion.

We class our area of benefit as the local authority areas of Newcastle, Gateshead, North Tyneside and Northumberland.

NEWCASTLE UNITED FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

Response to Covid-19

The pandemic allowed us to demonstrate our commitment to our community as well as our ability to diverge into specific areas of need. We were also able to again demonstrate our values as an organisation, our mission and purpose by supporting communities in a number of varied ways as detailed below. We effectively used our communication platforms during this period to demonstrate the variety of programmes we can deploy into the community.

We made a strategic decision to utilise the Coronavirus Job Retention Scheme, which was available from March 2020, in order to protect jobs and retain staff. The scheme was vital given the reduction in unrestricted income streams and uncertainty over when and if they would return to previous levels. However, we balanced the use of the furlough scheme with the need to provide an appropriate response to the pandemic locally and a total of 22 staff worked throughout this period to ensure this was achieved.

Staff returned from furlough from June as we started to plan the adaptations to post-Covid delivery and to support the strategic response to our community.

Permanent staff:

- 22 staff remained in post throughout Covid pandemic
- 19 returned June
- 28 returned July
- 10 returned August
- 16 returned September
- (2 maternity leave)

56 sessional staff were furloughed 1st April, three came back in July, and two and were re furloughed in August. All sessional staff have been brought off furlough leave from 1st September.

During the crisis, we continued our mission to connect, motivate and inspire the communities around us, offering extra support to the most vulnerable in society. We identified safe opportunities for staff to support the community including:

- A team of staff from across our Primary Stars and Partner Schools programmes redeployed to assist with activity at schools helping them to remain open.
- Assisting Newcastle East Academy Trust (NEAT) with the delivery of more than 12,000 food parcels across the East End of the city to children who would normally receive free school meals.
- Calling elderly participants who would normally attend Walking Football to check-in on their physical and mental wellbeing, signposting them to our Be A Game Changer programme which included weekly Facebook live quizzes.
- Providing regular Facebook updates with tips and advice to keep mentally and physically well during lockdown.
- Interview with Paul Catterson, Newcastle United Club Doctor, to discuss the need for social distancing and give helpful advice and tips to our community.
- Regular contact with our NEET participants. Seven have found employment in organisations, including NHS 111 and local supermarkets supporting the food distribution effort.
- Staff worked with vulnerable children contacting their key workers and, where suitable, assisted with guidance to help them adapt to the changing circumstances.
- Sending activity packs out to hard-to-reach young people with physical, mental health and skill challenges.
- Signposting vulnerable participants to relevant local support.
- Compiling online home-schooling resources for parents and guardians.
- Supporting over 1,000 Newcastle United season ticket holders (aged 70+) with keep in touch calls through the NUFC Buddy Calls initiative.
- Delivering free Easter sport and health activities across schools in North Tyneside and Northumberland to support capacity.

NEWCASTLE UNITED FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

Activities for achieving objectives

The Foundation employed 103 permanent/fixed term staff along with 56 sessional coaches during the year to work across all its activities throughout Newcastle, Gateshead, North Tyneside, County Durham and Northumberland. The Foundation plays an important role in increasing access to and encouraging active participation in football, sport and physical activity, in line with Football Association, Sport England and NHS strategies. Using the brand of Newcastle United, the Foundation's projects also make an impact on health, crime and anti-social behaviour reduction and on raising educational standards and employability within the local community.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

During the year there were 29,401 attendances up to the Covid pandemic period on 23rd March and a further 1,374 whilst responding to the crisis, resulting in a total of 30,775 participants on Foundation programmes. Whilst this is a significant number, the focus for our year was to better understand the participants behind the numbers. We invested some time in reviewing the quality of data we collected including monitoring and evaluating key demographics so we can better understand our community and therefore ensure we can represent that community well.

A number of our programme interventions have made significant progress over the year, including the award-winning Be A Game Changer campaign, raising awareness of mental health issues among men in Newcastle, creating an environment where men feel comfortable talking about mental health and signposting to support. The campaign to date has reached in excess of 2 million people and has had a number of strong outcomes.

In September we announced a capital and funding agreement with the North of Tyne Combined Authority to provide support for 11-29 year olds to help secure employment access and careers guidance, as well as apprenticeship and traineeships across key growth areas in the North of Tyne area of Newcastle, North Tyneside and Northumberland.

In July we announced that we had our planning application approved to build a state-of-the-art community hub for education, sports and wellbeing on the former site of Murray House community centre in Newcastle's West End. We also announced a six-year partnership with Newcastle Building Society as our Regional Community Partner in an exciting collaboration striving to connect local communities, support the region and create opportunities for children, young people and families.

Plans for future periods

2017-2020 Business Plan

The 2019-20 Operational Plan had a number of objectives. Below are some of the key strategic objectives over the year.

Key Strategic objectives	2019-20 Target	Achievements in 2019/20
1. Facilities	NUCASTLE: Secure funding to progress through to construction of capital project	Key funding was secured in quarter 1, including grant for capital, and, in some cases, revenue for the delivery plan. Todd Millburn were appointed as Employers Agent as we entered the 2nd quarter. The tender for construction was developed in quarter 3 and Robertson were selected as the constructor in quarter 4. The majority of funding has been secured and all planning and legal consents confirmed.

NEWCASTLE UNITED FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

Key strategic objectives	2019-20 Target	Achievements in 2019/20
2. Increase our reach	<p>Participation: Better understanding of our participant database</p> <p>Premier League Primary Stars: engagement and retention of schools</p> <p>Staff Utilisation: Delivery Staff utilisation</p>	<p>Our strategic priority was to better understand the participants on our programmes which was a significant task. We started with Premier League funded programmes including Kicks, Primary Stars and Inspires</p> <p>The target income was achieved with significant growth across Northumberland schools - 82.7% of schools were retained from 2018/19 with new schools comprising 28.3% of the total of 93 Schools.</p> <p>The staff utilisation target for project officers and community coaches pre-pandemic was marginally below target due largely to complexities around staff deployment and programme timings.</p>
3. More Diverse Income Base	<p>Income: £3.8m excluding NUCASTLE capital project</p> <p>Earned v Raised income: Increase earned income to 40% by July 2020</p>	<p>Underlying income (excluding NUCASTLE grants/donations, Gift in Kind and Job Retention Scheme grant) totals £3.8m.</p> <p>Earned income is at 36% for the year due to the high level of grant income.</p>
4. More Impact	<p>Premier League Capability Code of Practice: Complete and submit additional requirements for compliance.</p> <p>Quality: Build on the Quality Assurance framework, train staff and determine specialisms.</p>	<p>Deadlines were completed on time and all associated tasks, actions, policies agreed and adopted by trustees. All mandatory recommendations were achieved and fully compliant.</p> <p>We introduced a Quality Improvement Plan across 12 programmes, including observations, book scrutiny, coaching and mentoring for all delivery staff in Football Development and Premier League Primary Stars. A Quality Assurance Policy linked to department targets was implemented.</p>
5. Better Articulation of What we Do	<p>Communications Strategy and Delivery Plan: To better articulate our service and engage with customers including tracking and measuring impact.</p>	<p>We agreed a written communications strategy and delivery plan. Highlights include:</p> <ul style="list-style-type: none"> - Press releases: 66, External media coverage: 37 (56% hit-rate) - Twitter reach: 7,858,000 (25% increase from 2018-19 yearly figure) - Twitter followers: 16.3k (1,763 additional followers, 101% increase on target) - Facebook reach: 1,880,251 (53% increase from 2018-19 yearly figure) - LinkedIn followers: 2,372 (41% higher growth-rate than 2018-19) - NUFC player/legend session visits: 17 - 2.9m social impressions in April May versus 600,000 in 2018/9

NEWCASTLE UNITED FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

Department Highlights

Learning and Skills

- School engagement reached 80 Primary Schools, 32 Secondary Schools and 24 SEN schools
- 10,762 individuals took part in high quality PE lessons through Premier League Primary Stars with a further 2,117 individuals taking part in extracurricular clubs
- 75 teachers were supported through CPD for at least six weeks to develop their ability to deliver PE on their own
- 422 children and adults took part in Family Learning
- 1,156 primary school pupils learned about tackling discrimination through United as One
- 1,337 primary school pupils learned about healthy eating through Match Fit
- 2,381 primary school pupils took part in curriculum based maths and English interventions through Primary Stars
- 553 secondary school pupils took part in Premier League Inspires with 65 gaining a Prince's Trust Qualification in Personal Development and Employability
- 251 secondary school pupils took part in Five-a-side

Football Development

- 1,200 people attended a Match Day Experience
- 1,438 children participated in Holiday Courses and 516 in Weekly Coaching
- 1,417 children and adults participated in Disability Football sessions
- 370 girls participated in regular football sessions
- 172 college students benefited from regular coaching by the Foundation

Community

- 1,421 young people participated in free football through Kicks
- 22 16-year-olds took part in National Citizens Service
- 80 homeless and vulnerable young adults took part in weekly Street Football
- 30 young patients in the Great North Children's Hospital benefited from the Foundation's support with funding from the Sir Bobby Robson Foundation
- 28 participants completed our Prince's Trust Team programme
- Through NE1 Works, 47 young people gained work experience with 126 local employers across all sectors in Newcastle
- Foundation coaches provided monthly coaching sessions to the Newcastle Panthers, an inclusive LGBTQ+ football team
- 50 volunteers gave their time across all Foundation programmes
- 15 young offenders received mentoring to reduce re-offending rates

Health

- 189 people over-40 received an NHS health check
- 230 over-50s took part in Walking Football
- The Foundation was awarded funding from the PLPFA Community Fund for a new mental health initiative
- 128 people from local businesses, grassroots clubs, Newcastle United Foundation and Newcastle United Football Club took part in the first Foundation Mental Health First Aid (MHFA) course, which teaches people how to identify, understand and help someone who may be experiencing a mental health issue.

NEWCASTLE UNITED FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

Newcastle United Women

The Foundation continue to support the development of Newcastle United Women through a subsidiary of the charity Newcastle United Women's Football Club Limited, to help achieve our ambition for the development of football across our region for women and girls. Highlights include:

- The further development of the Lemington Football Centre to create a home for Newcastle United Women, including fenced pitches via a grant from the Football Foundation and additional investment in the playing surface with the support of Newcastle United ground maintenance staff.
- We agreed strategic partners including Newcastle City Council, Northumbria University, Arnold Clark and Vitality, supporting additional capacity for facilities, coaching and performance analysis, travel and financial investment.
- Social media interest and followers continue to increase with an average of 103 new followers per month, helping to grow overall followers to over 13,000. In addition, we have created a communications plan linking with our strategic partners. The 2019/20 Newcastle United kit launch included Newcastle United Women and had over 109,000 impressions.
- Average home gate attendances (pre-Covid) have increased 131% on the previous season including activation days, match day experiences and mascot and ball girl places.
- We have created a number of policies and procedures to ensure safeguarding is paramount and players, staff and volunteers understand their roles.
- The Head of Foundation provides a quarterly update to the Newcastle United Senior Management Team and also the Newcastle United Foundation board of Trustees.

Strategic report

Financial review

This financial year has seen a significant increase in net incoming resources due to the treatment of the capital grants and donations for NUCASTLE, which are classified as restricted income in the consolidated accounts. The demolition and rebuild commenced on site in November 2020, meaning that the capital expenditure for 2019/20 is relatively low with the full construction costs largely forecast to be incurred over the next two financial years. The capital contract was entered into following the year end, giving rise to a capital commitment of £8m.

Total incoming resources for the year were £6,225,889 (2019: £3,804,802) and total outgoing resources were £4,002,760 (2019: £3,506,108). This has led to net incoming resources of £2,223,129 (2019: £298,694). If the restricted funds for the NUCASTLE capital project of £1,832,763 are excluded from the analysis, the net incoming resources are £390,366 (2019: £298,694).

The Foundation was impacted by Covid-19 and the national lockdown which was in effect from the end of March 2020 with restrictions eased from June 2020 onwards. The unrestricted income streams, particularly fundraising and football development programmes, were the most affected by the lockdown and the subsequent restrictions. In order to safeguard jobs and protect the viability of the Foundation, the decision was made to utilise the Job Retention Scheme grant with 73 permanent and all current sessional staff placed on furlough. The use of the furlough scheme was balanced with the Foundation's aim to support the community where possible, for example, in schools where keyworker children attended, delivery of free school meals and keeping in contact with elderly and vulnerable participants and season ticket holders.

The impact of Covid-19 is ongoing and as at March 2021, it is not known when the Foundation will be able to resume its fundraising and football development programmes which are a key source of unrestricted income. In addition, a revised business plan is currently being developed for NUCASTLE in order to understand the possible impact of facility operation and associated commercial revenue if social distancing measures remain in place when the centre is due to open in Spring 2022.

NEWCASTLE UNITED FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

Excluding the NUCASTLE restricted income, the total income and endowments has increased by £508k compared to the prior year, largely driven by the Coronavirus Job Retention Scheme grant. This is allocated between restricted and unrestricted income depending on the split of the income for the programme the furloughed staff member worked on.

Fundraising income decreased by £52k against the prior year due to the impact of Covid-19 on fundraising activities from the end of March 2020, with the cancellation of the Play on the Pitch event, reduction in matchday draw income and no online sales of match worn shirts at the end of the football season.

Amounts received from football coaching were similar to the prior year despite the cancellation of all such programmes from end of March 2020 onwards as a result of the national lockdown. Sales of services increased in the year by £143k due to an increase in Primary Stars income, plus sales income from the new Partner Schools programme.

Due to the lockdown, the National Citizen Service programme was cancelled for summer 2020 and this is the reason for the decrease in contractual payments from £287k to £223k in the year.

Grants received for the provision of services have decreased by £47k. The only new grant in the year is the Premier League Community Fund three-year grant for the Partner Schools programme.

Expenditure on generating funds has decreased due to the cancellation of fundraising events. Expenditure on charitable activities increased slightly from 94% to 96% of total activities due to the reduction in spend on raising funds as a result of the lockdown and the resultant increase in the cost of charitable activities as a proportion. The cost of charitable activities largely comprises salaries and subsistence costs. The increase in costs reflects the increase in staff members in the year in line with increased programme activity. With increase income and increased delivery requirements, we have also had a higher demand for resources to support this delivery in terms of venue hire, equipment and resources.

Reserves policy

A large proportion of the Foundation's annual running costs are met by the receipt of grant funding (subject to any relevant performance conditions). The trustees seek to maintain the level of free reserves to cover at least three months' running costs of current activities and monitor the position twice a year. Under this calculation, the target level of reserves at the end of 31 July 2020 would be £714,381. Reserves at 31 July 2020 are shown in the table below.

	2020	2019
Reserves	£3,367,780	£1,144,651
Designated reserves	£7,226	£30,719
Restricted reserves	£2,692,179	£641,864
Unrestricted fixed assets	£110,328	£95,195
Free reserves	£558,047	£376,873

Note that the restricted reserves excluding NU Futures reserves were £794,616 (2019: £497,064).

Given the shortfall in free reserves against the three-month running costs the trustees are committed to building up reserves as a result of the small annual surpluses planned. The level of reserves is crucial to the financial health of the Foundation as it enters a period of uncertainty during and post-pandemic, combined with the risks and challenges associated with the operation of NUCASTLE.

Going concern

The ongoing impact of Covid-19 has been assessed with considerations of its impact included in the medium to long term budgets and cash flow forecasts. The Foundation has a strong cash flow and reserves position, which along with the current availability of grants and the adaptations to allow remote delivery mean that the reduction in fundraising and football development commercial income does not give rise to a going concern risk.

NEWCASTLE UNITED FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

In conclusion, after making appropriate enquires, the trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Investment policy and performance

The trustees have powers to invest funds as they see fit as set out in the memorandum and articles of association. At the present time, surplus cash reserves are held in short to medium term deposit accounts.

Risk management

The trustees maintain a comprehensive risk register, which is reviewed on a regular basis. Key risks are considered to be the ongoing impact of Covid-19, safeguarding and the operational and financial risks related to the redevelopment of Murray House and running the new centre (NUCASTLE). The Board have considered the impact of these and other risks and are satisfied that the systems and procedures the charity has in place are sufficient to mitigate these.

NEWCASTLE UNITED FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

Structure, governance and management

Constitution

Newcastle United Foundation is a company limited by guarantee, governed by its memorandum and articles of association dated 25 October 2007 and amended on 29 January 2010. On 8 July 2008 it registered as a charitable company with the Charity Commission (registered number 1124896).

The trustees, who are also the directors for the purpose of company law, and who served during the year and subsequent to the year-end were:

J P B Marshall

C Alexander

F Ameobi

(Appointed 16 October 2020)

L Charnley

S A Harper

G Mason

M F Percy

(Appointed 8 June 2020)

M R Thompson

B Thorpe

J Doyle

(Resigned 4 May 2020)

Method of appointment or election of trustees

As set out in the articles of association, trustees are appointed by members. The subscribers to the memorandum and such other persons or organisations as are admitted to membership in accordance with its articles are members of the charity.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Organisational structure and decision making

Our trustees meet six times a year for formal board meetings, in addition to which the Head of Foundation meets with the chair of the trustees on a monthly basis for a business review meeting. Trustees provide leadership for the Foundation's strategy and monitor our performance to ensure we are staying focused on our declared mission. Board meetings also take place between four and six times a year for the Foundation's subsidiaries; Newcastle United Foundation Projects Limited and Newcastle United Women's Football Club Limited. The Foundation also has two sub-committees of the board; Finance and Risk and Nominations and Remuneration.

The Head of Foundation is appointed by the trustees to manage the day-to-day operations of the charitable company and lead the senior management team. The senior management team ensures the Foundation achieves its mission and its business plan, and works together to look at all the key issues involved with running the organisation. During the year the Senior Management Team comprised Head of Foundation – Steve Beharall, Deputy Head of Foundation – Sarah Medcalf, Senior Finance Manager – Helen Wilson, Operations Manager – Steve Mack, HR & Administration Manager – Katie Tasker and NU Futures Manager – Andrew Foster.

The pay of key management personnel is reviewed annually. The trustees benchmark against pay levels of other charities and similar organisations within the sector and the region. Pay levels are set using this information together with budget and forecast information, ensuring that the charity can afford any proposed increase.

Trustee induction and training

New trustees receive an induction pack which includes the memorandum and articles of association, business plan and recent financial performance of the charitable company. They are all asked to sign a Declaration of eligibility to act, a Declaration of interests form and Confidentiality statement. Trustees, once appointed, receive relevant ongoing support and training in their role.

NEWCASTLE UNITED FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

Related party relationships

Although Newcastle United Foundation is governed and financed independently of Newcastle United Football Company Limited (the Club), the Club supports the charitable company in many ways, including through gifts in kind of match tickets, accommodation and merchandise. Further information can be found in the notes to the accounts.

The Foundation is grateful for the support of the Club's Managing Director, Lee Chamley, the Senior Management Team and Club staff in particular the Safeguarding, Equality and Diversity, Facilities, Payroll and IT departments which also service the Foundation.

Auditor

In accordance with the company's articles, a resolution proposing that RSM UK Audit LLP be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

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.

The trustees' report was approved by the Board of Trustees on 1/3/21 and signed on its behalf by:



.....
J P B Marshall

Chair

Dated: 1/3/21

NEWCASTLE UNITED FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 JULY 2020

The trustees, who are also the directors of Newcastle United Foundation 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 charity 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWCASTLE UNITED FOUNDATION

Opinion on financial statements

We have audited the financial statements of Newcastle United Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 July 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWCASTLE UNITED FOUNDATION (CONTINUED)

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 its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report or the Strategic Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 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 11, the trustees' (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located 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 charity's trustees, 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Lucy Robson (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
1 St. James' Gate
Newcastle upon Tyne
NE1 4AD
.....26.03.21.

NEWCASTLE UNITED FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JULY 2020

		Unrestricted funds	Restricted funds general	Restricted funds NUCASTLE	Total 2020	Total 2019
	Notes	£	£	£	£	£
Income from:						
Donations and legacies	3	309,313	502,798	963,224	1,775,335	734,132
Charitable activities	4	1,444,367	1,849,896	950,000	4,244,263	2,802,610
Other trading activities	5	203,663	-	-	203,663	262,569
Investments	6	2,628	-	-	2,628	5,491
Total income and endowments		1,959,971	2,352,694	1,913,224	6,225,889	3,804,802
Expenditure on:						
Raising funds	7	148,210	18,581	4,736	171,527	210,743
Charitable activities	8	1,638,947	2,116,561	75,725	3,831,233	3,295,365
Total resources		1,787,157	2,135,142	80,461	4,002,760	3,506,108
Net movement in funds		172,814	217,552	1,832,763	2,223,129	298,694
Total funds brought forward		502,787	487,064	154,800	1,144,651	845,957
Total funds carried forward		675,601	704,616	1,987,563	3,367,780	1,144,651

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

NEWCASTLE UNITED FOUNDATION**CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2020**

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	13		546,887		170,195
Current assets					
Debtors	15	1,230,558		381,579	
Cash at bank and in hand		2,960,074		1,485,881	
		4,190,632		1,867,460	
Creditors: amounts falling due within one year	16	(1,369,739)		(893,004)	
Net current assets			2,820,893		974,456
Total assets less current liabilities			3,367,780		1,144,651
Restricted funds					
NUCASTLE		1,987,563		154,800	
General restricted funds	20	704,616		487,064	
			2,692,179		641,864
Unrestricted funds					
General unrestricted funds		668,375		472,068	
Designated funds		7,226		30,719	
			675,601		502,787
			3,367,780		1,144,651

The financial statements were approved by the Trustees on 1/3/21



J P B Marshall
Chair

NEWCASTLE UNITED FOUNDATION

COMPANY BALANCE SHEET

AS AT 31 JULY 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	13		185,328		170,195
Investments	14		2		2
			<u>185,330</u>		<u>170,197</u>
Current assets					
Debtors	15	1,188,277		527,807	
Cash at bank and in hand		2,261,229		1,307,957	
		<u>3,449,506</u>		<u>1,835,764</u>	
Creditors: amounts falling due within one year	16	(1,222,501)		(856,076)	
Net current assets			2,227,005		979,688
Total assets less current liabilities			<u>2,412,335</u>		<u>1,149,885</u>
Restricted funds					
NUCASTLE		1,037,563		154,800	
General restricted funds		<u>865,231</u>		<u>535,332</u>	
	20		1,902,794		690,132
Unrestricted funds					
General unrestricted funds		502,315		429,034	
Designated funds		<u>7,226</u>		<u>30,719</u>	
	20		509,541		459,753
			<u>2,412,335</u>		<u>1,149,885</u>

As permitted by Section 408 of the Companies Act 2006, the statement of financial activities of the parent company is not presented as part of these accounts. The parent company's total income resources for the financial year amounted to £5,009,620 (2019: £3,729,876) and the net movement in funds for the financial year amounted to a surplus of £1,262,450 (2019: £305,518), including £882,763 relating to the NUCASTLE restricted project.

The financial statements were approved by the Trustees on 1/3/21


J.P.B Marshall
Chair

NEWCASTLE UNITED FOUNDATION

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	22		1,885,416		372,694
Investing activities					
Purchase of tangible fixed assets		(413,851)		(49,364)	
Interest received		2,628		5,491	
Net cash used in investing activities			(411,223)		(43,873)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			1,474,193		328,821
Cash and cash equivalents at beginning of year			1,485,881		1,157,060
Cash and cash equivalents at end of year			2,960,074		1,485,881

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

Charity information

Newcastle United Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is St James' Park, Newcastle upon Tyne, Tyne and Wear, NE1 4ST.

Accounting convention

The financial statements have been prepared in accordance with the Charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The charity has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' - Presentation of a statement of cash flows and related notes and disclosures.
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' - Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' - Compensation for key management personnel.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiaries, Newcastle United Foundation Projects Limited and Newcastle United Women's Football Club Limited, on a line-by-line basis. A separate Statement of Financial Activities for the charity has not been presented because the Trust has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Going concern

The trustees consider the use of the going concern basis of accounting is appropriate and have not identified any material uncertainties related to events or conditions that may cast significant doubt about the ability of the Foundation to continue as a going concern.

Budgets and cashflow forecasts have been prepared for the period to July 2022; considering the potential financial sensitivities of the Covid 19 pandemic in the medium to long term. These forecasts indicate the group and charitable entity has sufficient funds to meet liabilities as they fall due, and sufficient headroom for potential sensitivities, considering at least 12 months from approval of the financial statements.

Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies (Continued)

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Gifts in kind are included in the statement of financial activities at a reasonable estimate of their value at the time they are utilised by the charity, with an equivalent amount recognised as charitable expenditure. No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor, where such a cost is quantifiable and measureable.

Interest on funds held on deposit is included when receivable and the amount can be measured by the charity, this is normally upon notification of the interest paid and payable by the Bank.

Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of attracting voluntary income, and those incurred in trading activities that raise funds.
- Expenditure on charitable activities includes the costs of specific programmes undertaken to further the purposes of the charity and their associated support costs.
- Support costs are those costs incurred directly in support of expenditure on the objects of the company. Support costs included governance costs, which are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.
- Support costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of apportionment of income.

All expenditure is inclusive of irrecoverable VAT.

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies (Continued)

Tangible fixed assets

Individual tangible fixed assets costing £500 or more are capitalised. Tangible Fixed Assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Where fixed assets are donated, the fair value of the donation is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category, and depreciated over its useful economic life.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	50 years straight line
Plant and equipment	5 years straight line
Fixtures and fittings	3 - 5 years straight line
Computer equipment	3 - 5 years straight line
Motor vehicles	4 years straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies (Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees 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 estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

3 Donations and legacies

	Unrestricted funds £	Restricted funds general £	Restricted funds NUCASTLE £	Total 2020 £	Total 2019 £
Donations and gifts	118,224	248,460	-	366,684	319,971
Grants received from Charitable Foundations	77,001	254,338	963,224	1,294,563	282,107
Gifts in kind	114,088	-	-	114,088	132,054
	<u>309,313</u>	<u>502,798</u>	<u>963,224</u>	<u>1,775,335</u>	<u>734,132</u>
For the year ended 31 July 2019	<u>231,996</u>	<u>502,136</u>	<u>-</u>		<u>734,132</u>

Grants received from Charitable Foundations

Included within grants receivable is restricted income of £25,559 (2019: £46,119) from Comic Relief.

Gifts in kind

Gifts in kind comprise matchday tickets, vehicle use, office space and training pitch facilities.

4 Charitable activities

By source of funding	Unrestricted funds £	Restricted funds general £	Restricted funds NUCASTLE £	Total 2020 £	Total 2019 £
Football coaching & education - fees received	374,581	77,368	-	451,949	453,059
Sale of services as part of charitable activities	719,314	16,162	-	735,476	592,273
Contractual payments from governments or public authorities	166,460	56,596	-	223,056	287,300
Grants received for the provision of services	-	1,472,724	-	1,472,724	1,469,978
NUCASTLE	-	-	950,000	950,000	-
Job Retention Scheme	184,012	227,046	-	411,058	-
	<u>1,444,367</u>	<u>1,849,896</u>	<u>950,000</u>	<u>4,244,263</u>	<u>2,802,610</u>
For the year ended 31 July 2019	<u>1,251,715</u>	<u>1,550,895</u>			<u>2,802,610</u>

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

4 Charitable activities (Continued)

By charitable activity	Unrestricted funds	Restricted funds general	Restricted funds NUCASTLE	Total 2020	Total 2019
	£	£	£	£	£
Income from:					
Football and sports development	467,471	227,375	-	694,846	715,259
Learning and Skills	581,927	620,884	-	1,202,811	1,018,864
Community	347,581	744,887	-	1,092,468	858,203
Health	22,718	187,500	-	210,218	200,288
NU Futures	-	55,951	-	55,951	-
NUCASTLE	-	-	950,000	950,000	-
Other	24,670	13,299	-	37,969	9,996
	<u>1,444,367</u>	<u>1,849,896</u>	<u>950,000</u>	<u>4,244,263</u>	<u>2,802,610</u>

5 Other trading activities

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	£	£	£	£
Fundraising events	162,640	-	162,640	198,342
Online auctions and sale of goods and services	-	-	-	19,684
Matchday lottery	41,023	-	41,023	44,543
	<u>203,663</u>	<u>-</u>	<u>203,663</u>	<u>262,569</u>
Other trading activities	203,663	-	203,663	262,569
	<u>262,569</u>	<u>-</u>		<u>262,569</u>
For the year ended 31 July 2019	<u>262,569</u>	<u>-</u>		<u>262,569</u>

6 Investments

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	£	£	£	£
Interest receivable	2,628	-	2,628	5,491
	<u>2,628</u>	<u>-</u>	<u>2,628</u>	<u>5,491</u>
For the year ended 31 July 2019	<u>2,628</u>	<u>-</u>		<u>5,491</u>

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

7 Raising funds

	Unrestricted funds £	Restricted funds general £	Restricted funds NUCASTLE £	Total 2020 £	Total 2019 £
Fundraising events	50,514	-	-	50,514	71,676
Online auctions and sale of goods and services	798	-	-	798	4,447
Matchday lottery	4,486	-	-	4,486	6,728
Staff costs	82,326	-	-	82,326	71,040
Other direct costs	6,823	-	-	6,823	8,260
Support costs	3,263	18,581	4,736	26,580	48,592
	<u>148,210</u>	<u>18,581</u>	<u>4,736</u>	<u>171,527</u>	<u>210,743</u>
For the year ended 31 July 2019	<u>199,751</u>	<u>10,992</u>	<u>-</u>		<u>210,743</u>

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

8 Charitable activities

	Football and sports development	Learning and Skills	Community	Health	NU Futures	Total 2020	Total 2019
	£	£	£	£	£	£	£
Staff costs	595,196	989,012	697,445	154,063	37,076	2,472,792	2,022,460
Depreciation and impairment	19,365	-	-	-	-	19,365	14,565
Direct project costs	239,726	213,781	255,171	91,332	-	800,010	790,227
Provision of donated tickets and facilities	24,345	42,142	38,276	7,365	1,960	114,088	132,054
	878,632	1,244,935	990,892	252,760	39,036	3,406,255	2,959,306
Share of support costs (see note 9)	88,279	152,814	138,795	26,707	7,108	413,703	322,485
Share of governance costs (see note 9)	2,406	4,165	3,783	728	193	11,275	13,574
	969,317	1,401,914	1,133,470	280,195	46,337	3,831,233	3,295,365
Analysis by fund							
Unrestricted funds	645,631	595,148	365,197	30,114	2,857	1,638,947	
Restricted funds - general	307,527	778,795	742,868	245,192	42,179	2,116,561	
Restricted funds - NUCASTLE	16,159	27,971	25,405	4,889	1,301	75,725	
	969,317	1,401,914	1,133,470	280,195	46,337	3,831,233	
For the year ended 31 July 2019							
Unrestricted funds	654,082	473,877	454,649	61,360	-		1,643,968
Restricted funds	370,219	707,833	407,912	165,433	-		1,651,397
	1,024,301	1,181,710	862,561	226,793	-		3,295,365

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

9 Support costs

	Support costs £	Governance costs £	2020 £	2019 £	Basis of allocation
Staff costs	352,120	-	352,120	322,261	Income
Depreciation	17,794	-	17,794	10,436	Income
General office costs	9,703	-	9,703	7,208	Income
NUCASTLE costs	59,961	-	59,961	29,896	Income
Governance costs	-	11,980	11,980	14,850	Governance
	<u>439,578</u>	<u>11,980</u>	<u>451,558</u>	<u>384,651</u>	
Analysed between					
Trading	25,875	705	26,580	48,592	
Charitable activities	413,703	11,275	424,978	336,059	
	<u>439,578</u>	<u>11,980</u>	<u>451,558</u>	<u>384,651</u>	

Included in support costs in both years is expenditure incurred for NUCASTLE, which has been financed by restricted grant income.

10 Net movement in funds

	2020 £	2019 £
Net movement in funds is stated after charging		
Fees payable to the company's auditor for the audit of the company's financial statements	15,600	10,650
Depreciation of owned tangible fixed assets	37,159	25,001
Operating lease charges	2,500	1,875
Non audit fees:		
Taxation compliance services	2,500	1,850
Other non audit services	5,200	3,900

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Football and sports development	22	21
Community	18	16
Learning and skills	39	31
Fundraising	3	3
Support	12	11
Health	4	4
	<u>98</u>	<u>86</u>

Employment costs

	2020 £	2019 £
Wages and salaries	2,652,248	2,192,748
Social security costs	202,932	184,946
Other pension costs	52,058	38,067
	<u>2,907,238</u>	<u>2,415,761</u>

In addition to the above number of employees, an average of 72 (2019: 79) sessional coaches were employed during the year.

The number of employees whose annual remuneration was £60,000 or more were:

	2020 Number	2019 Number
£60,001 - £70,000	<u>1</u>	<u>1</u>

Key management have been determined to be the senior management team, defined as those having authority and responsibility delegated to them by the trustees for planning, directing and controlling the activities of the charity. The total employee benefits of the key management personnel were £190,118 (2019: £198,423).

12 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

Expenses reimbursed amounted to £nil (2019: £nil).

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

13 Tangible fixed assets

Group

	Freehold land and buildings £	Assets under construction £	Plant and equipment £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
Cost							
At 1 August 2019	75,000	-	72,898	30,606	77,509	-	256,013
Additions	-	361,559	4,776	-	27,313	20,203	413,851
Disposals	-	-	-	(12,589)	(46,288)	-	(58,877)
At 31 July 2020	75,000	361,559	77,674	18,017	58,534	20,203	610,987
Depreciation and impairment							
At 1 August 2019	-	-	13,565	17,615	54,638	-	85,818
Depreciation charged in the year	-	-	15,536	5,420	12,415	3,788	37,159
Eliminated in respect of disposals	-	-	-	(12,589)	(46,288)	-	(58,877)
At 31 July 2020	-	-	29,101	10,446	20,765	3,788	64,100
Carrying amount							
At 31 July 2020	75,000	361,559	48,573	7,571	37,769	16,415	546,887
At 31 July 2019	75,000	-	59,333	12,991	22,871	-	170,195

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

13 Tangible fixed assets (Continued)

Charity	Freehold land and buildings £	Assets under construction £	Plant and equipment £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
Cost							
At 1 August 2019	75,000	-	72,898	30,606	77,509	-	256,013
Additions	-	-	4,776	-	27,313	20,203	52,292
Disposals	-	-	-	(12,589)	(46,288)	-	(58,877)
At 31 July 2020	75,000	-	77,674	18,017	58,534	20,203	249,428
Depreciation and impairment							
At 1 August 2019	-	-	13,565	17,615	54,638	-	85,818
Depreciation charged in the year	-	-	15,536	5,420	12,415	3,788	37,159
Eliminated in respect of disposals	-	-	-	(12,589)	(46,288)	-	(58,877)
At 31 July 2020	-	-	29,101	10,446	20,765	3,788	64,100
Carrying amount							
At 31 July 2020	75,000	-	48,573	7,571	37,769	16,415	185,328
At 31 July 2019	75,000	-	59,333	12,991	22,871	-	170,195

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

14 Fixed asset investments

	Shares in group undertakings £
Cost	
At 1 August 2019 & 31 July 2020	2
Carrying amount	
At 31 July 2020	2
At 31 July 2019	2

The Charity owns the entire share capital of Newcastle United Foundation Projects Limited and Newcastle United Women's Football Club Limited, which are both incorporated in the United Kingdom. The registered office of both companies is St James' Park, Newcastle Upon Tyne, NE1 4ST. A summary of the trading results and Balance Sheet position of Newcastle United Foundation Projects Limited and Newcastle United Women's Football Club is shown below.

Newcastle United Foundation Projects Limited:

	2020 £	2019 £
Summary Statement of Comprehensive Income		
Turnover	86,091	82,232
Expenses	(104,980)	(86,233)
	(18,889)	(4,001)
Taxation	-	-
	(18,889)	(4,001)

	2020 £	2019 £
The assets and liabilities of the subsidiary were:		
Fixed assets	361,559	-
Current assets	902,812	192,799
Creditors: amounts falling due within one year	(147,238)	(40,222)
Creditors: amounts falling due after more than one year	(1,161,745)	(157,809)
Total net assets	(44,612)	(5,232)
Aggregated share capital and reserves	(44,612)	(5,232)

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

14 Fixed asset investments (Continued)

Newcastle United Women's Football Club Limited:

	2020	2019
Summary Statement of Comprehensive Income	£	£
Turnover	40,515	-
Expenses	(40,458)	-
	57	-
Taxation	-	-
	57	-
	2020	2019
	£	£
The assets and liabilities of the subsidiary were:		
Current assets	13,053	1
Creditors: amounts falling due within one year	(12,995)	-
Total net assets	58	1
Aggregated share capital and reserves	58	1

15 Debtors

	Group		Charity	
	2020	2019	2020	2019
Amounts falling due within one year:	£	£	£	£
Trade debtors	232,886	180,040	28,919	177,520
Amounts due from group undertakings	13,053	-	12,995	3,295
Other debtors	1	2,690	-	1,695
Prepayments and accrued income	984,618	198,849	984,618	187,488
	1,230,558	381,579	1,026,532	369,998
	2020	2019	2020	2019
Amounts falling due after more than one year:	£	£	£	£
Amounts due from group undertakings	-	-	161,745	157,809
Total debtors	1,230,558	381,579	1,188,277	527,807

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

15 Debtors (Continued)

Amounts due from group undertakings represents an intercompany loan of £150,000 due for repayment on 31 July 2027 plus accrued interest, due for repayment from 31 July 2022 until 31 July 2027. Interest is charged at 2% above base rate. The loan is secured over current and future property owned by the subsidiary.

16 Creditors: amounts falling due within one year

		Group 2020 £	2019 £	Charity 2020 £	2019 £
	Notes				
Trade creditors		17,175	68,341	9,735	67,945
Amounts due to Newcastle United Football Company Limited		22,786	13,478	22,786	13,478
Other taxation and social security		79,295	38,706	43,745	38,706
Other creditors		22,899	10,658	22,899	10,658
Accruals		453,817	123,601	444,487	118,100
Deferred income	17	773,767	638,220	678,849	607,189
		<u>1,369,739</u>	<u>893,004</u>	<u>1,222,501</u>	<u>856,076</u>

17 Deferred income

Group	2020 £	2019 £
Balance as at 1 August 2019	638,220	273,516
Released from previous years	(537,028)	(273,516)
Resources deferred in the year	672,575	638,220
	<u>773,767</u>	<u>638,220</u>
Charity	2020 £	2019 £
Balance as at 1 August 2019	607,189	271,016
Released from previous years	(505,997)	(271,016)
Resources deferred in the year	577,657	607,189
	<u>678,849</u>	<u>607,189</u>

Deferred income comprises income from SBRF Grant, ACS Income, NCS Summer grant, Funding for Early Intervention, Partner Schools income, 5 a side income, Kicks Targeted (Youth Violence) income, Postcode Sports Lottery Grant, Big Lottery Grant, Newcastle upon Tyne Hospital Grant and PL Wellbeing Grant.

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

18	Financial instruments	2020 £	2019 £
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	1,153,349	277,298
		<u> </u>	<u> </u>
	Carrying amount of financial liabilities		
	Measured at amortised cost	516,677	216,078
		<u> </u>	<u> </u>

19 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £46,784 (2019: £38,067). Contributions totalling £15,103 (2019: £6,341) were payable to the fund at the balance sheet date.

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

20 Analysis of charitable funds

For the year ended 31 July 2020:

Group	Balance at 1 August 2019 £	Movement in funds		Transfers £	Balance at 31 July 2020 £
		Incoming resources £	Resources expended £		
Unrestricted funds					
General funds	472,068	1,959,971	(1,763,664)	-	668,375
Designated funds	30,719	-	(23,493)	-	7,226
	<u>502,787</u>	<u>1,959,971</u>	<u>(1,787,157)</u>	<u>-</u>	<u>675,601</u>
Restricted funds					
Head office	109,662	267,637	(315,666)	-	61,633
Football development	40,062	280,347	(244,134)	-	76,275
Learning and skills	79,014	748,910	(669,057)	-	158,867
Community	228,611	792,126	(643,197)	-	377,540
Health	29,715	203,916	(226,013)	-	7,618
NU Futures	-	59,758	(37,075)	-	22,683
NUCASTLE	154,800	1,913,224	(80,461)	-	1,987,563
	<u>641,864</u>	<u>4,265,918</u>	<u>(2,215,603)</u>	<u>-</u>	<u>2,692,179</u>
Total funds	<u>1,144,651</u>	<u>6,225,889</u>	<u>4,002,760</u>	<u>-</u>	<u>3,367,780</u>

Company	Balance at 1 August 2019 £	Movement in funds		Transfers £	Balance at 31 July 2020 £
		Incoming resources £	Resources expended £		
Unrestricted funds					
General funds	429,034	1,820,916	(1,747,635)	-	502,315
Designated funds	30,719	-	(23,493)	-	7,226
	<u>459,753</u>	<u>1,820,916</u>	<u>(1,771,128)</u>	<u>-</u>	<u>509,541</u>
Restricted funds					
Head office	157,930	267,637	(190,194)	-	235,373
Football development	40,062	317,221	(244,133)	-	113,150
Learning and skills	79,014	748,910	(669,057)	-	158,867
Community	228,611	792,126	(643,197)	-	377,540
Health	29,715	203,916	(226,013)	-	7,618
NU Futures	-	9,758	(37,075)	-	(27,317)
NUCASTLE	154,800	963,224	(80,461)	-	1,037,563
	<u>690,132</u>	<u>3,302,792</u>	<u>(2,090,130)</u>	<u>-</u>	<u>1,902,794</u>
Total funds	<u>1,149,885</u>	<u>5,123,708</u>	<u>(3,861,258)</u>	<u>-</u>	<u>2,412,335</u>

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

20 Analysis of charitable funds (Continued)

Unrestricted funds

Unrestricted funds are available to be spent for any purposes of the charity.

Designated funds

Designated funds of £30,719 brought forward and partially used in the year comprise amounts set aside from the surplus generated by the 2013 Steve Harper 20 year charity match towards a current health initiative. Expenditure of £23,493 has been utilised on staff costs in the year.

Restricted funds

Restricted funds are those funds where the income received is restricted to provide specific programmes and activities within the wider programme of the Foundation. This includes donations received for specific purposes and grants received for the provision of specific programmes. Restricted funds has been split by charitable activity with further details included in note 4.

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

20 Analysis of charitable funds (Continued)

For the year ended 31 July 2019:

Group	Balance at 1 August 2018 £	Movement in funds			Balance at 31 July 2019 £
		Incoming resources £	Resources expended £	Transfers £	
Unrestricted funds					
General funds	524,523	1,751,771	(1,804,226)	-	472,068
Designated funds	70,212	-	(39,493)	-	30,719
	<u>594,735</u>	<u>1,751,771</u>	<u>(1,843,719)</u>	<u>-</u>	<u>502,787</u>
Restricted funds					
Head office	72,654	319,706	(127,898)	-	264,462
Football development	27,362	284,077	(271,377)	-	40,062
Learning and skills	37,662	775,434	(734,082)	-	79,014
Community	104,276	496,319	(371,984)	-	228,611
Health	9,268	177,495	(157,048)	-	29,715
	<u>251,222</u>	<u>2,053,031</u>	<u>(1,662,389)</u>	<u>-</u>	<u>641,864</u>
Total funds	<u>845,957</u>	<u>3,804,802</u>	<u>(3,506,108)</u>	<u>-</u>	<u>1,144,651</u>

Company	Balance at 1 August 2018 £	Movement in funds			Balance at 31 July 2019 £
		Incoming resources £	Resources expended £	Transfers £	
Unrestricted funds					
General funds	516,092	1,676,845	(1,763,903)	-	429,034
Designated funds	70,212	-	(39,493)	-	30,719
	<u>586,304</u>	<u>1,676,845</u>	<u>(1,803,396)</u>	<u>-</u>	<u>459,753</u>
Restricted funds					
Head office	79,495	319,706	(86,471)	-	312,730
Football development	27,362	284,077	(271,377)	-	40,062
Learning and skills	37,662	775,434	(734,082)	-	79,014
Community	104,276	496,319	(371,984)	-	228,611
Health	9,268	177,495	(157,048)	-	29,715
	<u>258,063</u>	<u>2,053,031</u>	<u>(1,620,962)</u>	<u>-</u>	<u>690,132</u>
Total funds	<u>844,367</u>	<u>3,729,876</u>	<u>(3,424,358)</u>	<u>-</u>	<u>1,149,885</u>

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

21 Analysis of group net assets between funds

For the year ended 31 July 2020:

	Unrestricted funds	Restricted funds general	Restricted funds NUCASTLE	Total
Group	£	£	£	£
Tangible fixed assets	110,328	-	436,559	546,887
Net current assets	565,273	704,616	1,551,004	2,820,893
	<u>675,601</u>	<u>704,616</u>	<u>1,987,563</u>	<u>3,367,780</u>

Charity

Tangible fixed assets	110,330	-	75,000	185,330
Net current assets	399,211	865,231	962,563	2,227,005
	<u>509,541</u>	<u>865,231</u>	<u>1,037,563</u>	<u>2,412,335</u>

For the year ended 31 July 2019:

	Unrestricted funds	Restricted funds general	Restricted funds NUCASTLE	Total
Group	£	£	£	£
Tangible fixed assets	95,195	75,000	-	170,195
Net current assets	407,592	412,064	154,800	974,456
	<u>502,787</u>	<u>487,064</u>	<u>154,800</u>	<u>1,144,651</u>

Charity

Tangible fixed assets	95,197	75,000	-	170,197
Net current assets	364,556	460,332	154,800	979,688
	<u>459,753</u>	<u>535,332</u>	<u>154,800</u>	<u>1,149,885</u>

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

22 Cash generated from operations	2020 £	2019 £
Surplus for the year	2,223,129	298,694
Adjustments for:		
Investment income recognised in statement of financial activities	(2,628)	(5,491)
Donated assets	-	(75,000)
Depreciation and impairment of tangible fixed assets	37,159	25,001
Movements in working capital:		
(Increase) in debtors	(848,979)	(113,905)
Increase/(decrease) in creditors	341,188	(121,309)
Increase in deferred income	135,547	364,704
Cash generated from operations	1,885,416	372,694

23 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	2,500	2,500
Between one and five years	10,000	10,000
In over five years	230,000	232,500
	242,500	245,000

The operating lease represents a lease of Lemington Sports Ground. The lease is negotiated over the term of 99 years and rentals are fixed for 5 years.

24 Events after the reporting date

The main capital contract was entered into following the year end, giving rise to a capital commitment of £8m.

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

25 Related party transactions

The trustees consider that Newcastle United Limited and its subsidiary Newcastle United Football Company Limited (NUFC) are related parties of the charity by virtue of significant influence.

L Chamley, a trustee of the Foundation, is also a director of NUFC. S Harper and C Alexander, also trustees of the Foundation, are employees of NUFC.

The charity receives substantial in-kind support from NUFC, in particular the licence to use the Club's brand and certain rights to use office space at the stadium and playing facilities at the first team training centre. Whilst not easily quantifiable, the impact on the charity, were these facilities not to be made available free of charge, would be hugely significant in both operational and financial terms.

NUFC is also a significant donor to the charity, through other quantifiable gifts in kind such as match day tickets and vehicles, all of which amounted to £114,088 (2019: £132,054).

During the year, NUFC made a donation amounting to £351,350 (2019: £215,294).

During the previous year, NUFC processed the charity's payroll and pension schemes for part of the year until the Foundation made their own payments which the charity repaid in full to NUFC on a monthly basis. No service charge or mark-up fee was paid to NUFC by the charity for the provision of this service. The amount owing to NUFC by the charity in relation to payroll repayments at the year end was £nil (2019: £13,478).

Other payments made by the charity to NUFC during the year amounted to £243,970 (2019: £174,940) including stadium tours, match tickets for resale, together with recharges of costs incurred on the charity's behalf, including staff time, telephone usage and office supplies.

The charity has taken the exemption contained within FRS 102 for disclosing transactions with its wholly owned subsidiaries as consolidated financial statements are prepared.

26 Volunteers

Newcastle United Foundation has volunteers who gave their time across all foundation programmes. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts. The current headcount is 54 volunteers.