

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

**TRUSTEES' REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY 2021**

NEWCASTLE UNITED FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	J P B Marshall C Alexander F Ameobi 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 United Kingdom NE1 4AD
Solicitors	Muckle LLP Time Central 32 Gallowgate Newcastle upon Tyne NE1 4BF

NEWCASTLE UNITED FOUNDATION

TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2021

The trustees present their report and consolidated financial statements for the year ended 31 July 2021.

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)" (effective 1 January 2019). The Trustees confirm, that to the best of their knowledge and beliefs, they have complied with the Charities Act in respect of having due regard to public benefit guidance published by the Charity Commission.

Objectives and activities

The objectives of the Foundation are to:

- Promote and assist in promoting community participation in healthy recreation;
- Provide or assist in the provision of facilities for recreation and other leisure time occupation in the interests of social welfare and with the object of improving the conditions of life for those for whom the facilities are provided;
- Relieve sickness and disability and to preserve and protect health;
- Promote any other purpose which is charitable according to English law.

We do this with a commitment to our vision, mission and values.

Our Vision

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

Our 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.

Our 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.

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

Achievements and Performance

Key achievements 2020/21

- NUCASTLE became a reality: The Foundation secured the final amounts of capital investment required to instruct the demolition of Murray House, a community facility just 500 metres from St. James' Park, and start the construction of NUCASTLE. The facility will become the new home of Newcastle United Foundation and will be open to the public from March 2022.
- Our ongoing response to Covid-19
- Successful Barnardo's audit

Capital Project - NUCASTLE

Following a period of planning dating back to 2016 the Foundation secured the final investments to reach the total funding requirements of £8.25m of capital investment to instruct the demolition of Murray House, a community facility just 500 metres from St. James' Park, and start the construction of NUCASTLE. The facility will become the new home of Newcastle United Foundation and will be open to the public from March 2022.

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TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2021

With a new city centre base, the Foundation anticipates engaging with over 100,000 through our programmes in the first year of operation. NUCASTLE will allow the Foundation, in partnership with stakeholders, to develop new programmes and interventions to support the local and regional community with new and additional opportunities, including, but not limited to, esports and STEM (science, technology, engineering and mathematics) qualifications.

The Foundation has engaged with key stakeholders as part of the communications strategy, including community groups, local authorities, local MPs and partners from the public, private and voluntary sectors, facilitating site visits and discussing the potential impact and opportunity the site can facilitate.

Business planning for the facility includes recognition of the potential impact of the pandemic – with future forecast taking into consideration worst, prudent and best-case scenarios, including a forecast incorporating any national return to social distancing.

Covid-19 Response

During the Covid-19 pandemic the Foundation diverted our available resource to provide essential support to our local community. Engaging with stakeholders and partners helped us identify the most effective ways in which the Foundation could make an impact.

We proudly continued to support the most disadvantaged children, young people and adults in our community.

Pre pandemic the Foundation was providing 900 hours of delivery per week and by January 2021 the Foundation had re-established the successful delivery of 716 hours of community support.

Some of our interventions during the pandemic included:

- Approximately 12,000 food parcels and educational resources were distributed to children.
- 10,000 physical activity packs which were assembled and distributed to families, schools, and community groups
- Over 1,000 calls to the elderly and vulnerable to combat loneliness.
- 550 activity packs and footballs were distributed to vulnerable children to support their wellbeing.
- 89 young people not in education, employment or training were supported via online sessions with 8 securing employment in the NHS, retail and care sectors.
- 200 people benefitted from mental health guidance.
- 387 individual welfare calls were made to students from our partner schools programme with 196 learners supported with face-to-face pupil support and 281 attending live online lessons.
- 164 hours of one-to-one support with our Zoom workshops to engage our employability participants including 40 one to one sessions.
- Kicks targeted interventions with one to one and two to one support to 161 young people on programme.
- Ongoing support at the Royal Victoria Infirmary hospital working with patients and supporting families at the Great North Children's Hospital.
- 72 of our BTEC students were supported with Welfare meetings and programme specific support online.
- We supported 753 students in year 11 in preparation for the summer National Citizen Service programme.

Following government guidelines on the safe return to work and the lifting of national restrictions the Foundation introduced specific Covid-19 staff inductions to keep staff and participants safe. The focus on the inductions was to share expectations linked to our quality management policy and ensure that our new safeguarding measures underpinned our quality measurements.

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TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2021

Premier League Safeguarding Audit

In April Barnardo's were instructed to conduct an audit on behalf of the Premier League as part of an annual wider annual safeguarding audit of Newcastle United. As way of benchmarking our overall position the 2019/20 audit resulted in the Foundation having a total of 15 recommendations to action, whereas in the 2020/21 audit only 5 recommendations were made, all which were focused on continuous improvement.

The audit identified that the Foundation demonstrates excellent communication of the importance of safeguarding and understanding of risk.

The audit reported that:

- the Foundation's infrastructure and accountability is consistently good,
- the pandemic and furlough arrangements had not affected safeguarding,
- the culture was very honest and open with staff committed to education opportunities,

It was recognised that the Foundation:

- manage risk well and this was commended by Barnardo's,
- has some excellent work in place for dynamic risk assessments,
- have some very complex safeguarding requirements, but they are managed very well.
- had a good safeguarding recording system, the protection standard was well met in terms of awareness of risk, making decisions which are defensible and recording incidents well through the new digital Safeguarding platform.

The Foundation's work around mental health was identified as best practise across the Club Community Organisation network and there was a recommendation to develop a specific wellbeing plan for staff over the next three years.

Newcastle United Women

Newcastle United Foundation continues to support the development of Newcastle United Women as a subsidiary company of the charity, Newcastle United Women's Football Club Limited, to help achieve our ambition to develop the women and girls' game across our region.

The Foundation maintained strategic partnerships with Newcastle United Football Club, Newcastle City Council, Northumbria University, Arnold Clark and Vitality, to support the capacity for quality facilities, coaching, player recruitment, physiotherapy, sports psychology, strength and conditioning, sports science, performance analysis and travel.

A Football Foundation grant secured by the Foundation has allowed for investment in our satellite site, Lemington Football Centre, which Newcastle United Women will consider their 'home' ground. The grant funded fenced pitches and allowed for additional investment in the playing surface, which is maintained with the support of Newcastle United FC ground maintenance staff.

Hundreds of young women and girls are being given more opportunities than ever before to access career pathways, coaching and qualifications through the additional support the Foundation provides. Newcastle United Women's players and staff are providing positive female role models on matchdays and in attendance on Newcastle Foundation coaching events and initiatives, helping to inspire more girls to play than ever before across the North East.

The Foundation has policies and procedures in place to ensure safeguarding is paramount and players, staff and volunteers understand the expectations of their roles.

The Head of Foundation provides a quarterly update to the Newcastle United FC Senior Management Team and the Newcastle United Foundation Board of Trustees.

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TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2021

2020-23 Business Plan

A strategic review of the Newcastle United Foundation 2017-20 Business Plan by the Senior Management Team has been key in identifying the areas of focus for 2020-23.

- developing internal capability, efficiency and resilience,
- mitigating the high priority and complex activities, primarily our capital development project (NUCASTLE)
- recovery from the pandemic
- reinforcing our commitment to delivering excellent outcomes to our community, as well as public, private and voluntary funders.

This has been presented to, and agreed by, the Board of Trustees.

Key factors in Newcastle United Foundation achieving our mission:

- be ambitious for our communities, aspiring to be the best we can be.
- create safe places for our community, programmes, people and participants.
- increase our reach and impact, through our programmes, facilities and resources.
- be admired and respected for the quality of our work and our people.

Theme	How will we know we have achieved it
1 Capital Build & Facilities: Complete the capital build, generate income from sites and grow Newcastle United Foundation community presence	<ul style="list-style-type: none"> • State of the art community facility NUCASTLE opens in 2022 – the new home of Newcastle United Foundation which will allow the charity to deliver programmes on site, reducing external venue hire, as well as offering space for private hire. • Lemington Football Centre operations deliver a profit, and a junior girls teams' hub is established. • NU: Futures Community Hubs launched in stakeholder community spaces, giving the most disadvantaged people in communities more opportunities to engage with the Foundation's life changing projects.
2 Key Relationships & Communications: Maintain and develop relationships with key stakeholders	<ul style="list-style-type: none"> • Grants maintained through articulating the impact of our programme delivery. • Delivery of a communications plan that collaborates with stakeholders to demonstrate impact and showcase case studies.
3 Systems & Compliance Creating a digital plan and a culture of thinking digital first.	<ul style="list-style-type: none"> • Our Digital plan is delivered • Ensuring systems integrate including IT, Finance, Website, CRM and HR. • Compliance with the Premier League Capability Code of Practice (CCOP).
4 Impact Effectively demonstrate our impact	<ul style="list-style-type: none"> • Effective utilisation of programmes • An impact framework across all delivery programmes. • A data pack that can pull reports from multiple digital systems to fully demonstrate impact
5 Safeguarding, Quality & People	<ul style="list-style-type: none"> • A successful Premier League Safeguarding audit. • A People Plan. • Talent Management to support the identification and development of staff.
6 Financial forecast	<ul style="list-style-type: none"> • Growth in turnover including best, worst and prudent forecasts. • Reduction in raised income and growth in earned income.

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TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2021

Financial review

The table below summarises the financial position for financial years 2021 and 2020:

	2021	2020
Total incoming resources*	£8.3m	£6.2m
Total outgoing resources	(£3.5m)	(£4.0m)
Net incoming resources**	£4.8m	£2.2m
*Incoming resources excluding NUCASTLE	£4.5m	£4.3m
**Net incoming resources excluding NUCASTLE	£0.9m	£0.4m

The significant increase in net incoming resources is largely due to the treatment of the capital grants and donations for NUCASTLE, which are classified as restricted income in the consolidated accounts. The NUCASTLE restricted income is £3.8m, an increase of £1.9m compared to the prior year. The demolition and rebuild commenced on site in November 2020 and the full construction costs will be incurred by February 2022, except for the 5% retention payment. The capital contract was entered into in November 2020 and at the year-end there was a capital commitment of £0.9m.

Excluding the NUCASTLE restricted income, the total income and endowments has increased by £172k compared to the prior year. This consists of an increase in charitable activities of £525k, offset by a decrease in donations and legacies of £201k and a reduction in fundraising activities of £160k.

The Foundation's activities were impacted by Covid-19 with the second and third national lockdowns introduced in October 2020 and January 2021 respectively, and varying degrees of social distancing measurements in place during the year, which reduced programme capacities. The unrestricted income streams, particularly fundraising and football development programmes, were the most affected by the lockdown and the subsequent restrictions.

Football coaching income decreased by £18k compared to the prior year due to the social distancing restrictions meaning programme capacity was reduced for most of the year. This is the second year of reduced income for football coaching as the year before income was impacted by the cancellation of all such programmes from the end of March 2020 onwards as a result of the national lockdown. With fans not allowed in stadiums for the majority of the year the Foundation's Match Day Experience, which generates a significant income, was unable to take place.

Fundraising income decreased by £160k against the prior year due to the impact of Covid-19 on fundraising activities during the year, with the only income coming from the matchday lottery which was set up online (previously tickets were sold in person to fans attending the match), and the online sales of match worn shirts at the end of the football season. The annual dinner, scheduled for November 2020, could not go ahead.

Expenditure on generating funds has decreased due to the cancellation of fundraising events. Expenditure on charitable activities increased slightly from 96% to 98% 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, which has reduced due to the lower staff bonus paid in 2020/21 compared to the prior year.

Donations and legacies income is impacted by the reduction in the staff bonus donated by the Club which is based on the league position of the first team with an adjustment for furloughed staff time. The gift in kind donation has also decreased due to the reduction in activity during the year around use of the training ground and match tickets as a result of the covid restrictions.

Sales of services increased in the year by £139k due to expansion of the Primary Stars programme and the Partner Schools programme which was in its second year. Grants received for the provision of services have increased by £326k. New grants during the year include Ministry of Housing, Youth Futures Foundation, plus an increase in the Postcode Lottery funding.

In order to safeguard jobs and protect the viability of the Foundation, the decision was made to utilise the Job Retention Scheme grant via the flexible furlough scheme. The use of the furlough scheme was balanced with the Foundation's aim to support the community in even the most challenging of circumstances.

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TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2021

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 2021 would be £785,197. Reserves at 31 July 2021 are shown in the table below.

	2021	2020
Reserves	£8,114,258	£3,367,780
Designated Reserves	£0	£7,226
Restricted Reserves	£7,163,886	£2,692,179
Unrestricted Fixed Assets	£119,517	£110,328
Free Reserves	£830,855	£558,047

The free reserves are £45k higher than the three-month running costs (equivalent of 5 days costs). The level of reserves is crucial to the financial health of the Foundation as it enters a period of uncertainty 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 sensitivity analysis performed around 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 means that the reduction in fundraising and football development commercial income does not give rise to a going concern risk.

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.

Plan for the Future

Priorities for 2021/22 include the final stages of the construction of NUCASTLE which is planned to be complete in December 2021 with an official opening to the public in March 2022. The Foundation will focus on building preparation including the creation of a number of key policies and procedure to ensure the building operates safely.

As part of the growth plans the Foundation will recruit approximately 27 new staff to deliver the newly established NU: Futures careers, skills and employability programme across the North of Tyne Combined Authority areas of Newcastle, North Tyneside and Northumberland. NU: Futures will engage 11,500 secondary aged pupils on a population approach and 5,600 through a series of different careers engagement, linking with 180 business to provide industry insights and employment opportunities.

A priority for 2021/22 will be to demonstrate the Foundation impact through an impact framework linked to our Theory of Change assumptions. Evidencing the impact of our work is crucial to maintain current grant funding conditions and also apply for future significant opportunities which will allow us to deliver our mission and tackling societal challenges across our community in the North East.

Throughout 2021/22 we will invest resource to increase our efficiency and reporting via a new CRM to consolidate data and fully demonstrate our impact. (Data sources include: the NUCASTLE booking system, the website, Microsoft Dynamics (Finance), Safeguarding, CoreHR and Coordinate (Staff planner)).

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TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2021

In March 2022 the Foundation will submit the 2022-25 Premier League Capability Code of Practice (CCOP), the CCOP has been specifically tailored to the context and needs of CCOs. The CCOP sets a benchmark against which CCOs can assess themselves and is intended to be used as a continuous improvement tool which helps CCOs to identify and prioritise the actions and systems that will enable them to thrive.

In December 2022 the Foundation will start the process of planning the next Business Plan to cover the period 2023/2026.

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 B P Marshall	
C Alexander	
F Ameobi	(appointed 16 October 2020)
L Charnley	(resigned 19 November 2021)
S A Harper	
G Mason	
M F Percy	
M R Thompson	
B Thorpe	

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

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 the performance to ensure the charity is staying focused on the declared mission. The trustees also provide valuable networking support and access to various other stakeholders. 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 the Newcastle United Foundation Projects Board.

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 delivers its business plan, as well as working together to address 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.

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TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2021

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 Former Managing Director, Lee Charnley, the Senior Management Team and Club staff, in particular the Safeguarding, Equality and Diversity, Facilities, Payroll and IT departments which also service the Foundation. The Foundation would also like to thank the new owners of the Club for the continued support provided to the Foundation since the takeover.

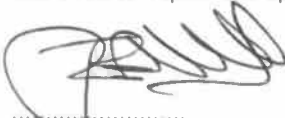
Auditor

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.

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.



J P B Marshall

Chair

Dated: 20/12/21

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STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 JULY 2021

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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

NEWCASTLE UNITED FOUNDATION

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

Opinion

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 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement 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 group's and the parent charitable company's affairs as at 31 July 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

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

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 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 included within the Trustees' Report has 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 its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, tax legislation 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, 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 the 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 and parent charitable company are in compliance with these laws and regulations.

The group audit engagement team identified the risk of management override of controls as the area 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 and challenging judgments and estimates.

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

L. Robson

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

Date 01/02/22

NEWCASTLE UNITED FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 JULY 2021

		Unrestricted funds	Restricted funds general	Restricted funds NUCASTLE	Total 2021	Total 2020
	Notes	£	£	£	£	£
Income from:						
Donations and legacies	3	222,925	387,785	231,000	841,710	1,775,335
Charitable activities	4	1,719,185	2,100,219	3,563,942	7,383,346	4,244,263
Other trading activities	5	43,425	-	-	43,425	203,663
Investments	6	11,594	-	-	11,594	2,628
Total income and endowments		<u>1,997,129</u>	<u>2,488,004</u>	<u>3,794,942</u>	<u>8,280,075</u>	<u>6,225,889</u>
Expenditure on:						
Raising funds	7	74,670	2,645	159	77,474	171,527
Charitable activities	8	1,647,688	1,794,896	13,539	3,456,123	3,831,233
Total resources		<u>1,722,358</u>	<u>1,797,541</u>	<u>13,698</u>	<u>3,533,597</u>	<u>4,002,760</u>
Transfers between funds		-	(50,000)	50,000	-	-
Net movement in funds		274,771	640,463	3,831,244	4,746,478	2,223,129
Total funds brought forward		<u>675,601</u>	<u>704,616</u>	<u>1,987,563</u>	<u>3,367,780</u>	<u>1,144,651</u>
Total funds carried forward		<u>950,372</u>	<u>1,345,079</u>	<u>5,818,807</u>	<u>8,114,258</u>	<u>3,367,780</u>

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 2021**

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	13		4,936,925		546,887
Current assets					
Debtors	15	1,979,263		1,230,558	
Cash at bank and in hand		3,359,762		2,960,074	
		5,339,025		4,190,632	
Creditors: amounts falling due within one year	16	(2,161,692)		(1,369,739)	
Net current assets			3,177,333		2,820,893
Total assets less current liabilities			8,114,258		3,367,780
Restricted funds					
NUCASTLE		5,818,807		1,987,563	
General restricted funds		1,345,079		704,616	
	20		7,163,886		2,692,179
Unrestricted funds					
General unrestricted funds		950,372		668,375	
Designated funds		-		7,226	
			950,372		675,601
			8,114,258		3,367,780

The financial statements were approved by the Trustees on 20/12/21

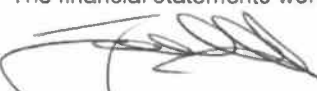

J P B Marshall
Chair

NEWCASTLE UNITED FOUNDATION**COMPANY BALANCE SHEET****AS AT 31 JULY 2021**

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	13		194,517		185,328
Investments	14		2		2
			<u>194,519</u>		<u>185,330</u>
Current assets					
Debtors	15	2,083,455		1,188,277	
Cash at bank and in hand		2,250,335		2,261,229	
		<u>4,333,790</u>		<u>3,449,506</u>	
Creditors: amounts falling due within one year	16	(1,016,065)		(1,222,501)	
Net current assets			<u>3,317,725</u>		<u>2,227,005</u>
Total assets less current liabilities			<u>3,512,244</u>		<u>2,412,335</u>
<u>Restricted funds</u>					
NUCASTLE		1,254,865		1,037,563	
General restricted funds		<u>1,480,861</u>		<u>865,231</u>	
	20		2,735,726		1,902,794
<u>Unrestricted funds</u>					
General unrestricted funds		776,518		502,315	
Designated funds		<u>-</u>		<u>7,226</u>	
	20		<u>776,518</u>		<u>509,541</u>
			<u>3,512,244</u>		<u>2,412,335</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 £4,576,203 (2020: £5,009,620) and the net movement in funds for the financial year amounted to a surplus of £1,099,909 (2020: £1,262,450), including £217,302 relating to the NUCASTLE restricted project.

The financial statements were approved by the Trustees on 20/12/21



J P B Marshall
Chair

NEWCASTLE UNITED FOUNDATION

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	22		4,825,834		1,885,416
Investing activities					
Purchase of tangible fixed assets		(4,437,740)		(413,851)	
Interest received		11,594		2,628	
Net cash used in investing activities			(4,426,146)		(411,223)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			399,688		1,474,193
Cash and cash equivalents at beginning of year			2,960,074		1,485,881
Cash and cash equivalents at end of year			3,359,762		2,960,074

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021

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)" (effective 1 January 2019). 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 Foundation 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 2023 considering the potential financial sensitivities of the Covid-19 pandemic in the medium to long term. These forecasts indicate the group and charitable entity have 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 2021

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 measurable.

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 2021

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 2021

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 2021

3 Income from donations and legacies

	Unrestricted funds	Restricted funds general	Restricted funds NUCASTLE	Total 2021	Total 2020
	£	£	£	£	£
Donations and gifts	61,551	125,957	-	187,508	366,684
Grants received	135,000	261,828	231,000	627,828	1,294,563
Gifts in kind	26,374	-	-	26,374	114,088
	<u>222,925</u>	<u>387,785</u>	<u>231,000</u>	<u>841,710</u>	<u>1,775,335</u>
For the year ended 31 July 2020	<u>309,313</u>	<u>502,798</u>	<u>963,224</u>		<u>1,775,335</u>

Included within grants receivable is restricted income of £nil (2020: £25,559) from Comic Relief.

Gifts in kind

Gifts in kind comprise vehicle use and office space and in the prior year also included matchday tickets and training pitch facilities.

4 Income from charitable activities

By source of funding	Unrestricted funds	Restricted funds general	Restricted funds NUCASTLE	Total 2021	Total 2020
	£	£	£	£	£
Football coaching & education - fees received	434,157	-	-	434,157	451,949
Sale of services as part of charitable activities	872,467	1,885	-	874,352	735,476
Contractual payments from governments or public authorities	149,643	108,013	-	257,656	223,056
Grants received for the provision of services	9,086	1,789,022	-	1,798,108	1,472,724
NUCASTLE	-	-	3,563,942	3,563,942	950,000
Job Retention Scheme	253,832	201,299	-	455,131	411,058
	<u>1,719,185</u>	<u>2,100,219</u>	<u>3,563,942</u>	<u>7,383,346</u>	<u>4,244,263</u>
For the year ended 31 July	<u>1,444,367</u>	<u>1,849,896</u>	<u>950,000</u>		<u>4,244,263</u>

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

4 Income from charitable activities (Continued)

By charitable activity	Unrestricted funds	Restricted funds general	Restricted funds NUCASTLE	Total 2021	Total 2020
	£	£	£	£	£
Income from:					
Football and sports development	422,149	265,467	-	687,616	694,846
Learning and Skills	982,454	589,851	-	1,572,305	1,202,811
Community	286,068	721,540	-	1,007,608	1,092,468
Health	14,310	264,863	-	279,173	210,218
NU Futures	-	247,271	-	247,271	55,951
NUCASTLE	-	-	3,563,942	3,563,942	950,000
Other	14,204	11,227	-	25,431	37,969
	<u>1,719,185</u>	<u>2,100,219</u>	<u>3,563,942</u>	<u>7,383,346</u>	<u>4,244,263</u>

5 Income from other trading activities

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Fundraising events	31,301	-	31,301	162,640
Matchday lottery	12,124	-	12,124	41,023
	<u>43,425</u>	<u>-</u>	<u>43,425</u>	<u>203,663</u>
Other trading activities	43,425	-	43,425	203,663
	<u>203,663</u>	<u>-</u>	<u>203,663</u>	<u>203,663</u>
For the year ended 31 July 2020	<u>203,663</u>	<u>-</u>	<u>203,663</u>	<u>203,663</u>

6 Income from investments

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Interest receivable	11,594	-	11,594	2,628
	<u>2,628</u>	<u>-</u>	<u>2,628</u>	<u>2,628</u>
For the year ended 31 July 2020	<u>2,628</u>	<u>-</u>	<u>2,628</u>	<u>2,628</u>

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

7 Expenditure on raising funds

	Unrestricted funds	Restricted funds general	Restricted funds NUCASTLE	Total 2021	Total 2020
	£	£	£	£	£
Fundraising events	198	-	-	198	50,514
Online auctions and sale of goods and services	1,818	-	-	1,818	798
Matchday lottery	2,226	-	-	2,226	4,486
Staff costs	66,350	-	-	66,350	82,326
Other direct costs	2,494	-	-	2,494	6,823
Support costs	1,584	2,645	159	4,388	26,580
	<u>74,670</u>	<u>2,645</u>	<u>159</u>	<u>77,474</u>	<u>171,527</u>
For the year ended 31 July 2020	<u>148,210</u>	<u>18,581</u>	<u>4,736</u>		<u>171,527</u>

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

8 Expenditure on charitable activities

	Football and sports	Learning and Skills	Community	Health	NU Futures	Total 2021	Total 2020
	£	£	£	£	£	£	£
Staff costs	411,974	1,029,656	556,981	137,121	146,256	2,281,988	2,472,792
Depreciation and impairment	22,455	-	-	-	-	22,455	19,365
Direct project costs	222,070	217,610	236,090	51,973	23,387	751,130	800,010
Provision of donated tickets and facilities	4,898	10,549	7,177	1,989	1,761	26,374	114,088
	<u>661,397</u>	<u>1,257,815</u>	<u>800,248</u>	<u>191,083</u>	<u>171,404</u>	<u>3,081,947</u>	<u>3,406,255</u>
Share of support costs (see note 9)	65,926	141,996	96,605	26,766	23,707	355,000	413,703
Share of governance costs (see note 9)	3,561	7,670	5,218	1,446	1,281	19,176	11,275
	<u>730,884</u>	<u>1,407,481</u>	<u>902,071</u>	<u>219,295</u>	<u>196,392</u>	<u>3,456,123</u>	<u>3,831,233</u>
Analysis by fund							
Unrestricted funds	492,510	828,930	293,394	22,072	10,782	1,647,688	
Restricted funds - general	235,860	573,136	604,992	196,202	184,706	1,794,896	
Restricted funds - NUCASTLE	2,514	5,416	3,684	1,021	904	13,539	
	<u>730,884</u>	<u>1,407,481</u>	<u>902,071</u>	<u>219,295</u>	<u>196,392</u>	<u>3,456,123</u>	
For the year ended 31 July 2020							
Unrestricted funds	645,631	595,148	365,197	30,114	2,857		1,638,947
Restricted funds	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
	<u>969,317</u>	<u>1,401,914</u>	<u>1,133,470</u>	<u>280,195</u>	<u>46,337</u>		<u>3,831,233</u>

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

9 Support costs

	Support costs £	Governance costs £	2021 £	2020 £	Basis of allocation
Staff and general costs	308,746	-	308,746	361,823	Income
Depreciation	25,247	-	25,247	17,794	Income
NUCASTLE costs	25,170	-	25,170	59,961	Income
Governance costs	-	19,401	19,401	11,980	Governance
	<u>359,163</u>	<u>19,401</u>	<u>378,564</u>	<u>451,558</u>	
Analysed between					
Trading	4,163	225	4,388	26,580	
Charitable activities	<u>355,000</u>	<u>19,176</u>	<u>374,176</u>	<u>424,978</u>	
	<u>359,163</u>	<u>19,401</u>	<u>378,564</u>	<u>451,558</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

	2021 £	2020 £
Net movement in funds is stated after charging		
Fees payable to the company's auditor for the audit of the company's financial statements	18,600	17,100
Depreciation of owned tangible fixed assets	47,702	37,159
Operating lease charges	<u>2,500</u>	<u>2,500</u>
Non-audit fees:		
Taxation compliance services	2,750	2,500
Other non-audit services	<u>5,200</u>	<u>5,200</u>

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Football and sports development	20	22
Community	20	18
Learning and skills	43	39
Fundraising	3	3
Support	11	12
Health	5	4
	<u>102</u>	<u>98</u>

Employment costs

	2021 £	2020 £
Wages and salaries	2,502,389	2,652,248
Social security costs	196,176	202,932
Other pension costs	52,068	52,058
Redundancy costs	1,174	-
	<u>2,751,807</u>	<u>2,907,238</u>

The reduction in employee costs is largely due to the lower employee bonus which is based on the league position of the first team and was also adjusted for furloughed staff time.

In addition to the above number of employees, an average of 60 (2020: 72) sessional coaches were employed during the year.

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

	2021 Number	2020 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 £318,213 (2020: £190,118).

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 (2020: £nil).

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

13 Tangible fixed assets

Group

Cost

	Freehold land and buildings £	Assets under construction £	Plant and equipment £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
At 1 August 2020	75,000	361,559	77,674	18,017	58,534	20,203	610,987
Additions	-	4,380,849	-	36,454	20,437	-	4,437,740
At 31 July 2021	75,000	4,742,408	77,674	54,471	78,971	20,203	5,048,727

Depreciation and impairment

At 1 August 2020	-	-	29,101	10,446	20,765	3,788	64,100
Depreciation charged in the year	-	-	15,536	6,826	20,289	5,051	47,702
At 31 July 2021	-	-	44,637	17,272	41,054	8,839	111,802

Carrying amount

At 31 July 2021	75,000	4,742,408	33,037	37,199	37,917	11,364	4,936,925
At 31 July 2020	75,000	361,559	48,573	7,571	37,769	16,415	546,887

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

13 Tangible fixed assets (Continued)

Charity	Freehold land and buildings	Plant and equipment £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
At 1 August 2020	75,000	77,674	18,017	58,534	20,203	249,428
Additions	-	-	36,454	20,437	-	56,891
At 31 July 2021	75,000	77,674	54,471	78,971	20,203	306,319
Depreciation and impairment						
At 1 August 2020	-	29,101	10,446	20,765	3,788	64,100
Depreciation charged in the year	-	15,536	6,826	20,289	5,051	47,702
At 31 July 2021	-	44,637	17,272	41,054	8,839	111,802
At 31 July 2021	75,000	33,037	37,199	37,917	11,364	194,517
At 31 July 2020	75,000	48,573	7,571	37,769	16,415	185,328

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

14 Fixed asset investments

	Shares in group undertakings
	£
Cost	
At 1 August 2020 & 31 July 2021	2
Carrying amount	
At 31 July 2021	2
At 31 July 2020	2

Newcastle United Foundation Projects Limited:

	2021 £	2020 £
Summary Statement of Comprehensive Income		
Income	123,342	86,091
Expenditure	(37,206)	(104,980)
	86,226	(18,889)
Taxation	-	-
Net profit after tax	86,226	(18,889)

	2021 £	2020 £
The assets and liabilities of the subsidiary were:		
Fixed assets	4,742,408	361,559
Current assets	2,344,987	902,812
Creditors: amounts falling due within one year	(1,150,053)	(147,238)
Creditors: amounts falling due after more than one year	(5,901,893)	(1,161,745)
Total net assets	35,449	(44,612)
Aggregated share capital and reserves	35,449	(44,612)

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

14 Fixed asset investments (Continued)

Newcastle United Women's Football Club Limited:

Summary Statement of Comprehensive Income	2021 £	2020 £
Turnover	31,197	40,515
Expenses	(28,628)	(40,458)
	2,569	57
Taxation	-	-
Net profit after tax	2,569	57

The assets and liabilities of the subsidiary were:	2021 £	2020 £
Current assets	37,856	13,053
Creditors: amounts falling due within one year	(35,229)	(12,995)
Total net assets	2,627	58
Aggregated share capital and reserves	2,627	58

15 Debtors

	Group 2021 £	2020 £	Charity 2021 £	2020 £
Amounts falling due within one year:				
Trade debtors	95,143	232,886	95,143	28,919
Amounts due from group undertakings	-	13,053	16,866	12,995
Other debtors	223,545	1	-	-
Prepayments and accrued income	1,660,575	984,618	603,069	984,618
	1,979,263	1,230,558	715,078	1,026,532
Amounts falling due after more than one year:				
Amounts due from group undertakings	-	-	1,368,377	161,745
Total debtors	1,979,263	1,230,558	2,083,455	1,188,277

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

15 Debtors (Continued)

Amounts due from group undertakings represents an intercompany loan of £1,344,000 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

	Notes	Group 2021 £	2020 £	Charity 2021 £	2020 £
Trade creditors		1,042,983	17,175	21,689	9,735
Amounts due to Newcastle United Football Company Limited		20,701	22,786	20,701	22,786
Other taxation and social security		121,573	79,295	121,573	43,745
Other creditors		-	22,899	-	22,899
Accruals		149,929	453,817	136,529	444,487
Deferred income	17	826,506	773,767	715,573	678,849
		<u>2,161,692</u>	<u>1,369,739</u>	<u>1,016,065</u>	<u>1,222,501</u>

17 Deferred income

Group	2021 £	2020 £
Balance as at 1 August 2020	773,767	638,220
Released from previous years	(697,745)	(537,028)
Resources deferred in the year	750,484	672,575
	<u>826,506</u>	<u>773,767</u>
Charity	2021 £	2020 £
Balance as at 1 August 2020	678,849	607,189
Released from previous years	(602,827)	(505,997)
Resources deferred in the year	639,551	577,657
	<u>715,573</u>	<u>678,849</u>

Deferred income includes income from NBS, National Lottery, Big Lottery, Premier League Charitable Foundation, Liontrust, Postcode Lottery, Newcastle upon Tyne Hospitals, North Tyneside Council, ACS, NCS, and Youth Futures.

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

18 Financial instruments	2021	2020
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	806,702	1,153,349
	<hr/>	<hr/>
Carrying amount of financial liabilities		
Measured at amortised cost	1,213,613	516,667
	<hr/>	<hr/>

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 £52,068 (2020: £46,784). Contributions totalling £nil (2020: £15,103) 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 2021

20 Analysis of charitable funds

For the year ended 31 July 2021:

Group	Balance at 1 August 2020	Movement in funds			Balance at 31 July 2021
		Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Unrestricted funds					
General funds	668,375	1,997,129	(1,722,358)	7,226	950,372
Designated funds	7,226	-	-	(7,226)	-
	675,601	1,997,129	(1,722,358)	-	950,372
Restricted funds					
Head office	61,633	273,055	(228,223)	-	106,465
Football development	76,275	298,314	(193,969)	-	180,620
Learning and skills	158,867	638,869	(482,906)	-	314,830
Community	377,540	742,228	(543,607)	-	576,161
Health	7,618	269,113	(179,194)	-	97,537
NU Futures	22,683	266,425	(169,642)	(50,000)	69,466
NUCASTLE	1,987,563	3,794,942	(13,698)	50,000	5,818,807
Restricted funds	2,692,179	6,282,946	(1,811,239)	-	7,163,886
Total funds	3,367,780	8,280,075	(3,533,596)	-	8,114,258

Company	Balance at 1 August 2020	Movement in funds			Balance at 31 July 2021
		Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Unrestricted funds					
General funds	502,315	2,005,442	(1,738,465)	7,226	776,518
Designated funds	7,226	-	-	(7,226)	-
	509,541	2,005,442	(1,738,465)	-	776,518
Restricted funds					
Head office	235,373	273,055	(154,812)	-	353,616
Football development	113,150	268,405	(193,969)	-	187,586
Learning and skills	158,867	578,869	(482,907)	-	254,829
Community	377,540	742,228	(543,607)	-	576,161
Health	7,618	269,113	(179,194)	-	97,537
NU Futures	(27,317)	208,091	(169,642)	-	11,132
NUCASTLE	1,037,563	231,000	(13,698)	-	1,254,865
Restricted funds	1,902,794	2,570,761	(1,737,829)	-	2,735,726
Total funds	2,412,335	4,576,203	(3,476,294)	-	3,512,244

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

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 £7,226 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. The transfer of £7,226 was in order to utilise the remaining funds on staff costs in the year, removing the designation.

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 have 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 2021

20 Analysis of charitable funds (Continued)

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 2021

21 Analysis of group net assets between funds

For the year ended 31 July 2021:

	Unrestricted funds	Restricted funds general	Restricted funds NUCASTLE	Total
Group	£	£	£	£
Tangible fixed assets	194,517	-	4,742,408	4,936,925
Net current assets	755,855	1,345,079	1,076,399	3,177,333
	<u>950,372</u>	<u>1,345,079</u>	<u>5,818,807</u>	<u>8,114,258</u>
Charity				
Tangible fixed assets	119,519	-	75,000	194,519
Net current assets	656,999	1,480,861	1,179,865	3,317,725
	<u>776,518</u>	<u>1,480,861</u>	<u>1,254,865</u>	<u>3,512,244</u>

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>

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

22 Cash generated from operations	2021 £	2020 £
Surplus for the year	4,746,478	2,223,129
Adjustments for:		
Investment income recognised in statement of financial activities	(11,594)	(2,628)
Donated assets	-	(75,000)
Depreciation and impairment of tangible fixed assets	47,702	37,159
Movements in working capital:		
(Increase) in debtors	(748,705)	(848,979)
Increase in creditors	739,214	341,188
Increase in deferred income	52,739	135,547
Cash generated from operations	4,825,834	1,810,416

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:

	2021 £	2020 £
Within one year	2,500	2,500
Between one and five years	10,000	10,000
In over five years	227,500	230,000
	<u>240,000</u>	<u>242,500</u>

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.

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

24 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 Charnley, a trustee of the Foundation during the period, was also a director of NUFC during the period. S Harper, C Alexander and F Ameobi, 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 £26,374 (2020: £114,088).

During the year, NUFC made a donation amounting to £164,493 (2020: £351,350).

This comprises the employee bonus from NUFC which is lower than the prior year as it is based on the league position of the first team and was also adjusted for furloughed staff time.

Other payments made by the charity to NUFC during the year amounted to £170,528 (2020: £243,970) 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.

25 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 4 volunteers.

26 Commitments

Group capital commitments contracted but not provided for in the financial statements at the year end date are £0.9m relating to the NUCASTLE capital project (company: £nil).