

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 2022**

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 S Bullock D Eales
Charity number	1124896
Company number	06412345
Registered office	NUCASTLE Diana Street Newcastle Upon Tyne United Kingdom NE4 6BQ
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 2022

The trustees present their report and consolidated financial statements for the year ended 31 July 2022.

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.

The year has seen a period of significant growth and change for our charity and the communities we strive to support, engage and inspire across the North East. There have been many successes for the Foundation as we have continued to work with participants of all ages, all abilities and all different backgrounds, as well as the progress made as a charity that continues to grow our fundraising commitment to ensure we can provide much need support to our community.

While this was a revolutionary year with the opening of our new community facility NUCASTLE, we have been establishing a legacy for 14 years, which has only been possible thanks to the continued support of Newcastle United and the generosity of funders, partners, regional businesses, and charitable individuals.

Over the year we worked with 65,045 participants across programmes with 39% of the total delivered in Northumberland, 26% in Newcastle upon Tyne, 23% in North Tyneside and 12% in Gateshead.

We have been named North East Charity of the Year 2021, earned the Professional Club Community accolade at the International Sports Awards 2021 and received a Royal Society for Public Health Award 2021 in the mental health and wellbeing section for our 'Be A Game Changer' campaign.

NEWCASTLE UNITED FOUNDATION

TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2022

In March 2022 we officially opened NUCASTLE, our world class community hub located just 5 minutes' walk from St. James' Park. After years of diligent fundraising securing investments, donations and grants and with the invaluable support of our funders, NUCASTLE has seen us move closer to realising our vision to unite a community full of passion, pride and potential.

Thousands of people of all ages have already benefited from activities at NUCASTLE. Since opening we have helped communities to engage in sport, develop skills, achieve qualifications, build confidence and progress in further training or employment. Open seven days a week, NUCASTLE combines community space with education and wellness facilities including activity and state-of-the-art cycling studios, roof-top football pitch, specialist STEM room, eSports arena, four court sports hall, accessible changing, event and meeting spaces and our head office.

In October 2021 Newcastle United Limited was sold to a consortium of the Public Investment Fund, PCP Capital and RB Sports and Media. The ownership group have continued to provide much needed support for the Foundation including attending charitable events and meeting participants and staff.

Newcastle United Women's Football Club has been a subsidiary company of Newcastle United Foundation since February 2018 and any losses have previously been covered by Newcastle United Football Company Limited. However, as Newcastle United Women is an elite sporting team it was not deemed appropriate to remain part of Newcastle United Foundation and the trustees agreed a transfer from the charity to Newcastle United Football Company Limited at fair market value on 25 July 2022. The new ownership group have invested in dedicated resources including a Head of Women's Football and the first ever full-time manager and have the ambition of reaching the Women's Super League.

The 2021-22 season has been a huge success both on and off the pitch with a number of complex challenges to overcome including the return to normal working practice following the Covid-19 pandemic, finalising the build and move to NUCASTLE as well as the opportunities presented with the new ownership of Newcastle United and the appetite for local and national businesses to engage and support the Foundation, particularly around employability and careers.

The ambition of our 2020-23 Business Plan was built and delivered against 6 themes of work.

1. NUCASTLE & Facilities

Lemington Football Centre profitability including an established Junior girl's team's hub: It remained difficult to generate a surplus from grass pitches, we continued to use the centre for multiple programmes and as a base for staff. Additionally, as it is on the site of the Vallum any redevelopment would be very prohibitive. We have moved away from running junior girl's teams at Lemington and will instead meet the target through the 2022/23 Emerging Talent Hub linked to Newcastle United Women player pathway;

A realistic and achievable Business Plan for NUCASTLE: We have an achievable business plan for 2022/23 in line with the budget forecast;

NUFutures Community hubs: As part of our commitment to North of Tyne Combined Authority, we are delivering NU Futures outreach programmes in Howden and Ashington as well as NUCASTLE.

2. Key Relationships & Communications

An established partnership with Newcastle United allowing access to comms and fan base: We continued to have a strong relationship with key personnel at Newcastle United and have had support on key planned marketing and comms;

Key relationships account managed, and grants maintained through impactful delivery: Strong performance with account management of grants and good insight and data on the impact of programmes and NUCASTLE;

Strong track record of delivery with partners and subcontracts including- PT Team, BTEC and EFL Trust (NCS): Excellent programme delivery of PT Team with expansion to accommodate additional cohorts. The NCS programme has recovered well following the Covid-19 pandemic and the work in Q3 and Q4 allowed us to deliver our best summer ever in terms of impact and outcomes for participants.

NEWCASTLE UNITED FOUNDATION

TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2022

3. Systems & Compliance

A Digital Plan is created and a culture of thinking digital first: The move to NUCASTLE allowed us to work more digitally and reduce the use of paper, however there is work to do to improve our digital approach to programme delivery, particularly within education;

Systems that work together including IT, Finance, Website, CRM and HR: this objective is still progressing after embedding the new finance system and the website during the year. The Premier League Communities Fund are rolling out the Salesforce CRM system to all CCOs across the network in February 2023 so this resulted in a pause in the plans for our own CRM system implementation;

Compliance with the Premier League Capability Code of Practice (CCOP): A strong audit position with a final grading of 93% compliance which is classified as 'exemplary'.

4. Impact

Getting more out of the programmes we have through general efficiencies: Programme delivery efficiencies were maintained at steady level with over 75% utilisation as well as moving to a majority Monday - Friday delivery programme. A new organisation chart ensured less silo working across departments and improved people management;

An impact framework across all delivery programmes: We developed Theory of Change models across all programmes and are working towards an overarching model for the Foundation;

The ability to track and monitor the pathways and destinations of participants and learners: we hope to be able to track across programmes using Salesforce via Premier League from February 2023 which will allow us to support internal referrals and track participants progress across programmes;

Operation plan(s) linked to the Business plan KPI's: Appraisal Targets and Operational plans link to the Business Plan KPIs;

A SMT data pack that can pull data from digital systems to quickly demonstrate impact: A new monthly metric was created to provide headline data for the Senior Management Team.

5. Safeguarding, Quality & People

A successful Premier League Safeguarding Audit: Outstanding feedback from the 2021/22 audit with some national best practice identified by Barnardo's.

EDI Strategy: continue to work with Newcastle United to ensure EDI strategy is embedded across Club and community.

Ensure training supports compliance across Health & Safety, Safeguarding and Inclusion: A new training plan was delivered including compliance requirements. The accountability now sits with HR to provide an overview with job specific training requirements.

Develop a Health & Safety Strategy: We have procedures and policies now in place with assigned responsibility and accountability across the Foundation at different levels with additional external support from ASTAS.

Financial Forecast

Growth in turnover: Strong underlying financial growth (excluding NUCASTLE grants and donations) and increased financial stability during the year.

Reduction in raised income and growth in Earned income 20/21: 40%-60% 21/22: 46%-54% 22/23: 50%-50%: As a result of the availability of Covid grants we had more raised income than forecast as well as additional grant support from the Peoples Postcode Lottery.

A financial forecast mitigating multiple future scenarios: Completed early in 2022 to include a return to social distancing forecast which fortunately was not needed.

NEWCASTLE UNITED FOUNDATION

TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2022

Financial review

The table below summarises the financial position for financial years 2022 and 2021:

	2022	2021
Total incoming resources*	£8.0m	£8.3m
Total outgoing resources	(£5.5m)	(£3.5m)
Net incoming resources**	£2.5m	£4.8m
*Incoming resources excluding NUCASTLE capital grants	£5.6m	£4.5m
**Net incoming resources excluding NUCASTLE capital grants	£0.1m	£0.9m

The incoming resources include the capital grants and donations for NUCASTLE of £2.4m, which are classified as restricted income in the consolidated accounts. This is the final year for NUCASTLE capital income as the full amount has been received with a small amount accrued for given the certainty of the funding. The remaining NUCASTLE construction costs have been incurred during the year, except for the 5% retention payment. The capital contract was entered into in November 2020 and at the year-end there was an outstanding capital commitment of £108k.

Excluding the NUCASTLE restricted income, the total income and endowments has increased by £1,147k compared to the prior year. This consists of an increase in charitable activities of £409k, donations and legacies of £477k and fundraising activities of £270k, offset by a reduction in investment income of £9k.

The increase in charitable activities represents a return to normal levels of income following the impact of Covid-19 in the prior year. This is particularly the case for sales income from football development programmes which were the most affected by the lockdown and the subsequent restrictions. Income in the prior year included a £455k job retention scheme grant which is partly offset by an increase of £275k in contractual payments and grants received in the current year, largely as a result of the growth in the NU Futures programme.

The donations and legacies income includes a staff bonus funded by Newcastle United Football Company Limited which is based on the league position of the first team. This donation has increased by £468k due to the higher league position and the adjustment in the prior year for furloughed staff time. The gift in kind donation has also increased due to the renewed activity during the year around use of the training ground and match tickets following the Covid-19 restrictions of 2020/21. This is offset by a reduction in grants received of £122k as a one-off unrestricted grant was received in the prior year.

Fundraising income increased against the prior year, again following the impact of Covid-19 which resulted in the cancellation of the annual dinner and other fundraising events in 2020/21. In addition the matchday lottery generated increased income as fans were allowed back into stadiums following the previous restrictions.

Expenditure on generating funds has increased due to the reinstatement of fundraising events. Expenditure on charitable activities as a proportion decreased slightly from 98% to 96% of total activities due to the relative increase in spend on raising funds following the lockdown and the resultant decrease in the cost of charitable activities as a proportion. The expenditure on charitable activities increased by £1.9m. This is due to an increase in staff costs of £1.2m, of which half is due to the higher staff bonus and half is the increased resources required due to the expansion of programmes such as NU Futures. The remaining increase is driven by higher direct costs, support costs for staffing and NUCASTLE, plus depreciation.

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 2022 would be £955k. Reserves at 31 July 2022 are shown in the table below.

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TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2022

	2022	2021
Reserves	£10,591,812	£8,114,258
Restricted Reserves	£9,553,343	£7,163,886
Unrestricted Fixed Assets	£189,581	£119,517
Free Reserves	£848,888	£830,855

The free reserves are slightly below the three-month running costs. The level of reserves is crucial to the financial health of the Foundation as it faces the risks and challenges associated with the initial operation of NUCASTLE.

Going concern

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 recruitment and retention of staff, future funding streams, safeguarding and the operational and financial risks related to running 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

There are a number of challenges facing our community including the cost-of-living crisis, child poverty and the increase of displaced families from across Europe.

Some specific challenges for our community include:

- Two in five babies, children and young people across the North East are living below the poverty line (38%) (Source 'End Child Poverty Coalition' July 2022);
- The North East overtook London to have the highest rate of child poverty in the country at 38% (source 'End Child Poverty Coalition', July 2022);
- The North East has among the highest rate of unemployment in the country (source 'North East Evidence Hub');
- There are a growing number of people unable to work because of their health or their additional caring responsibilities (source Bank of England regional briefing);
- The North East has have the lowest weekly earnings with a high number of jobs where people will not progress and will remain in it for their entire working life (source 'Statista').

The 2023-26 business plan will make a commitment to tackling some of the challenges across our community by scaling specific programmes and ensuring they are having the local impact they need, collaborating with other organisations and being ambitious about our fundraising.

The preparation for the new business plan will include a strategic review over three key phases including:

- Phase 1: preparation and data collection – reviewing existing and impact, data collection and beneficiary insight
- Phase 2: Strategy Development – trustee strategic visioning, SMT workshop, internal consultation
- Phase 3: Feedback and approval – strategy refinement, board approval

Once the strategic review is complete, we will create a business plan draft by April 2023 for board approval then further refinement ready for 1 August 2023.

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TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2022

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	
L Charnley	(resigned 19 November 2021)
S A Harper	
G Mason	
M F Percy	
M R Thompson	
B Thorpe	
S Bullock	(appointed 1 January 2023)
D Eales	(appointed 7 November 2022)

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 Chief Executive Officer of Newcastle United 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 Chief Executive Officer 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 Chief Executive Officer – Steve Beharall, Director of Programmes and Impact – Andrew Foster, Director of Finance and Resources – Helen Wilson, Head of Compliance – Steve Mack, Head of Facility and Business Management – Malcolm Munro, Head of HR & Administration – Katie Tasker and Deputy Head of Foundation – Sarah Medcalf (left August 2022).

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 (CONTINUED) (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2022

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, office accommodation (up to February 2022 when the Head Office moved to NUCASTLE) and merchandise. Further information can be found in the notes to the accounts.

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

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: 6/2/23

NEWCASTLE UNITED FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 JULY 2022

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 2022 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 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

NEWCASTLE UNITED FOUNDATION

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

NEWCASTLE UNITED FOUNDATION

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 health and safety and safeguarding. We performed audit procedures to inquire of management, including the Health and Safety Manager and Safeguarding Manager, whether the group is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

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.

Lucy Robson

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

NEWCASTLE UNITED FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 JULY 2022

		Unrestricted funds	Restricted funds general	Restricted funds NUCASTLE	Total 2022	Total 2021
	Notes	£	£	£	£	£
<u>Income from:</u>						
Donations and legacies	3	222,885	865,270	-	1,088,155	841,710
Charitable activities	4	1,932,210	2,295,861	2,362,283	6,590,353	7,383,346
Other trading activities	5	313,883	-	-	313,883	43,425
Investments	6	2,676	-	-	2,676	11,594
Total income and endowments		2,471,654	3,161,131	2,362,283	7,995,068	8,280,075
<u>Expenditure on:</u>						
Raising funds	7	181,086	24,608	-	205,694	77,474
Charitable activities	8	2,268,954	3,042,866	-	5,311,820	3,456,123
Total resources		2,450,040	3,067,474	-	5,517,514	3,533,597
Transfers between funds		66,483	-	(66,483)	-	-
Net movement in funds		21,614	93,657	2,362,283	2,477,554	4,746,478
Total funds brought forward		950,372	1,345,079	5,818,807	8,114,258	3,367,780
Total funds carried forward		1,038,469	1,438,736	8,114,607	10,591,812	8,114,258


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 2022**

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	14	8,007,975		4,936,925	
Intangible assets	13	11,186		-	
		<u>8,019,161</u>		<u>4,936,925</u>	
Current assets					
Debtors	16	2,080,111		1,979,263	
Cash at bank and in hand		<u>2,349,856</u>		<u>3,359,762</u>	
		4,429,967		5,339,025	
Creditors: amounts falling due within one year	17	<u>(1,857,316)</u>		<u>(2,161,692)</u>	
Net current assets		2,572,651		3,177,333	
Total assets less current liabilities		<u>10,591,812</u>		<u>8,114,258</u>	
<u>Restricted funds</u>					
NUCASTLE		8,114,607		5,818,807	
General restricted funds		<u>1,438,736</u>		<u>1,345,079</u>	
	21	9,553,343		7,163,886	
<u>Unrestricted funds</u>					
General unrestricted funds		1,038,469		950,372	
Designated funds		<u>-</u>		<u>-</u>	
		1,038,469		950,372	
		<u>10,591,812</u>		<u>8,114,258</u>	

The financial statements were approved by the Trustees on 6/2/23.



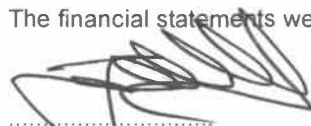
J P B Marshall
Chair

NEWCASTLE UNITED FOUNDATION**COMPANY BALANCE SHEET****AS AT 31 JULY 2022**

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	14		175,582		194,517
Intangible assets	13		11,186		-
Investments	15		1		2
			<u>186,769</u>		<u>194,519</u>
Current assets					
Debtors	16	3,406,098		2,083,455	
Cash at bank and in hand		<u>1,408,183</u>		<u>2,250,335</u>	
			4,814,281		4,333,790
Creditors: amounts falling due within one year	17		<u>(1,294,106)</u>		<u>(1,016,065)</u>
Net current assets			<u>3,520,175</u>		<u>3,317,725</u>
Total assets less current liabilities			<u>3,706,944</u>		<u>3,512,244</u>
<u>Restricted funds</u>					
NUCASTLE		1,254,865		1,254,865	
General restricted funds		<u>1,566,405</u>		<u>1,480,861</u>	
	21		2,821,270		2,735,726
<u>Unrestricted funds</u>					
General unrestricted funds		885,674		776,518	
Designated funds		<u>-</u>		<u>-</u>	
			<u>885,674</u>		<u>776,518</u>
			<u>3,706,944</u>		<u>3,512,244</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 incoming resources for the financial year amounted to £5,184,776 (2021: £4,576,203) and the net movement in funds for the financial year amounted to a surplus of £194,700 (2021: £1,099,909).

The financial statements were approved by the Trustees on 6/2/23.



J P B Marshall
Chair

NEWCASTLE UNITED FOUNDATION

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	22		2,703,090		4,825,834
Investing activities					
Purchase of tangible fixed assets		(3,717,896)		(4,437,740)	
Purchase of intangible fixed assets		(12,375)		-	
Proceeds on disposal of tangible assets		14,599		-	
Interest received		2,676		11,594	
Net cash used in investing activities			(3,712,996)		(4,426,146)
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(1,009,906)		399,688
Cash and cash equivalents at beginning of year			3,359,762		2,960,074
Cash and cash equivalents at end of year			<u>2,349,856</u>		<u>3,359,762</u>

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies

Charity information

Newcastle United Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is NUCASTLE, Diana Street, Newcastle Upon Tyne, United Kingdom, NE4 6BQ.

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. Post year end Newcastle United Women's Football Club Limited was transferred to Newcastle United Football Company Limited.

Going concern

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future.

The group and company have prepared forecasts to January 2024 which reflect the use of the new facility following the completion of the NUCASTLE capital project.

Based on the forecasts prepared, the Directors are satisfied that the group and company can meet its liabilities as they fall due for 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 2022

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.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation 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:

Software	5 year straight line
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NEWCASTLE UNITED FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

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 2022

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 2022

3 Income from donations and legacies

	Unrestricted funds	Restricted funds general	Restricted funds NUCASTLE	Total 2022	Total 2021
	£	£	£	£	£
Donations and gifts	110,669	610,986	-	721,655	187,508
Grants received	20,000	254,285	-	274,285	627,828
Gifts in kind	92,216	-	-	92,216	26,374
	<u>222,885</u>	<u>865,271</u>	<u>-</u>	<u>1,088,156</u>	<u>841,710</u>
For the year ended 31 July 2021	<u>222,925</u>	<u>387,785</u>	<u>231,000</u>		<u>841,710</u>

Gifts in kind

Gifts in kind comprise office space until February 2022 before moving premises, matchday tickets and in the prior year also included vehicle use.

4 Income from charitable activities

By source of funding	Unrestricted funds	Restricted funds general	Restricted funds NUCASTLE	Total 2022	Total 2021
	£	£	£	£	£
Football coaching & education - fees received	508,702	-	-	508,702	434,157
Sale of services as part of charitable activities	1,389,209	22,104	-	1,411,313	874,352
Contractual payments from governments or public authorities	6,422	526,553	-	532,975	257,656
Grants received for the provision of services	27,877	1,747,204	-	1,775,081	1,798,108
NUCASTLE	-	-	2,362,283	2,362,283	3,563,942
Job Retention Scheme	-	-	-	-	455,131
	<u>1,932,210</u>	<u>2,295,861</u>	<u>2,362,283</u>	<u>6,590,353</u>	<u>7,383,346</u>
For the year ended 31 July 2021	<u>1,719,185</u>	<u>2,100,219</u>	<u>3,563,942</u>		<u>7,383,346</u>

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

4 Income from charitable activities (Continued)

By charitable activity	Unrestricted funds	Restricted funds general	Restricted funds NUCASTLE	Total 2022	Total 2021
	£	£	£	£	£
Income from:					
Football and sports development	469,876	244,257	-	714,133	687,616
Primary schools	783,641	302,812	-	1,086,453	1,572,305
Community	343,465	604,135	-	947,600	1,007,608
Health	6,921	334,326	-	341,247	279,173
NU Futures	313,232	799,588	-	1,112,820	247,271
NUCASTLE	-	-	2,362,283	2,362,283	3,563,942
Other	15,075	10,742	-	25,817	25,431
	<u>1,932,210</u>	<u>2,295,860</u>	<u>2,362,283</u>	<u>6,590,353</u>	<u>7,383,346</u>

5 Income from other trading activities

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Fundraising events	259,362	-	259,362	31,301
Matchday lottery	54,521	-	54,521	12,124
	<u>313,883</u>	<u>-</u>	<u>313,883</u>	<u>43,425</u>
Other trading activities				
	<u>313,883</u>	<u>-</u>	<u>313,883</u>	<u>43,425</u>
For the year ended 31 July 2021	<u>43,425</u>	<u>-</u>		<u>43,425</u>

6 Income from investments

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Interest receivable	2,676	-	2,676	11,594
	<u>2,676</u>	<u>-</u>	<u>2,676</u>	<u>11,594</u>
For the year ended 31 July 2021	<u>11,594</u>	<u>-</u>		<u>11,594</u>

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

7 Expenditure on raising funds

	Unrestricted funds	Restricted funds general	Restricted funds NUCASTLE	Total 2022	Total 2021
	£	£	£	£	£
Fundraising events	11,439	-	-	11,439	198
Online auctions and sale of goods and services	1,690	-	-	1,690	1,818
Matchday lottery	12,438	-	-	12,438	2,226
Staff costs	101,597	-	-	101,597	66,350
Other direct costs	5,116	-	-	5,116	2,494
Support costs	48,806	24,608	-	73,414	4,388
	<u>181,086</u>	<u>24,608</u>	<u>-</u>	<u>205,694</u>	<u>77,474</u>
For the year ended 31 July 2021	<u>74,670</u>	<u>2,645</u>	<u>159</u>		<u>77,474</u>

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

8 Expenditure on charitable activities

	Football and sports	Primary Schools	Community	Health	NU Futures	Total 2022	Total 2021
	£	£	£	£	£	£	£
Staff costs	582,651	994,912	590,096	217,577	937,453	3,322,689	2,281,988
Depreciation and impairment	32,380	-	-	-	-	32,380	22,455
Direct project costs	281,987	142,806	185,620	114,483	156,752	881,648	751,130
Provision of donated tickets and facilities	15,671	23,842	20,795	7,488	24,420	92,216	26,374
	912,689	1,161,560	796,511	339,548	1,118,625	4,328,933	3,081,947
Share of support costs (see note 9)	162,724	247,560	215,921	77,757	253,568	957,530	355,000
Share of governance costs (see note 9)	4,309	6,556	5,718	2,059	6,715	25,357	19,176
	1,079,722	1,415,676	1,018,150	419,364	1,378,908	5,311,820	3,456,123
Analysis by fund							
Unrestricted funds	667,865	801,742	332,522	22,686	444,139	2,268,954	
Restricted funds - general	411,857	613,934	685,628	396,678	934,769	3,042,866	
Restricted funds - NUCASTLE	-	-	-	-	-	-	
	1,079,722	1,415,676	1,018,150	419,364	1,378,908	5,311,820	
For the year ended 31 July 2021							
Unrestricted funds	492,510	828,930	293,394	22,072	10,782		1,647,688
Restricted funds	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
	730,884	1,407,481	902,071	219,295	196,392		3,456,123

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

9 Support costs

	Support costs	Governance costs	2022	2021	Basis of allocation
	£	£	£	£	
Staff and general costs	528,484	-	528,484	308,746	Income
Depreciation	129,705	-	129,705	25,247	Income
NUCASTLE costs	370,860	-	370,860	25,170	Income
Governance costs	-	27,253	27,253	19,401	Governance
	<u>1,029,049</u>	<u>27,253</u>	<u>1,056,301</u>	<u>378,564</u>	
Analysed between					
Trading	71,519	1,895	73,414	4,388	
Charitable activities	957,530	25,357	982,887	374,176	
	<u>1,029,049</u>	<u>27,253</u>	<u>1,056,301</u>	<u>378,564</u>	

10 Net movement in funds

	2022	2021
	£	£
Net movement in funds is stated after charging		
Fees payable to the company's auditor for the audit of the company's financial statements	22,310	18,600
Depreciation of owned tangible fixed assets	162,163	47,702
Operating lease charges	<u>7,353</u>	<u>2,500</u>
Non-audit fees:		
Taxation compliance services	2,950	2,750
Other non-audit services	<u>5,650</u>	<u>5,200</u>

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2022	2021
	Number	Number
Football and sports development	16	20
Community	14	20
Primary schools	40	43
Fundraising	7	3
Support	15	11
Health	6	5
NU Futures	25	-
	<u>123</u>	<u>102</u>

Employment costs

	2022	2021
	£	£
Wages and salaries	3,582,563	2,502,389
Social security costs	305,408	196,176
Other pension costs	64,799	52,068
Redundancy costs	-	1,174
	<u>3,952,770</u>	<u>2,751,807</u>

In addition to the above number of employees, an average of 69 (2021: 60) sessional coaches were employed during the year.

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

	2022	2021
	Number	Number
£60,001 - £70,000	-	1
£70,001 - £80,000	<u>1</u>	<u>-</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 £346,167 (2021: £318,213).

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

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 (2021: £nil).

13 Intangible fixed assets

	Software £
Group and charity	
Cost	
At 1 August 2021	-
Additions	12,375
At 31 July 2022	<u>12,375</u>
Amortisation and impairment	
At 1 August 2021	-
Amortisation charged for the year	1,189
At 31 July 2022	<u>1,189</u>
Carrying amount	
At 31 July 2022	<u>11,186</u>
At 31 July 2021	<u>-</u>

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

14 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 2021	75,000	4,742,408	77,674	54,471	78,971	20,203	5,048,727
Additions	-	3,197,980	348,438	-	171,478	-	3,717,896
Adjustments	-	(478,356)	-	-	-	-	(478,356)
Disposals	-	-	-	-	-	(20,203)	(20,203)
Transfers	7,462,032	(7,462,032)	-	-	-	-	-
At 31 July 2022	7,537,032	-	426,112	54,471	250,449	-	8,268,064
Depreciation and impairment							
At 1 August 2021	-	-	44,637	17,272	41,054	8,839	111,802
Depreciation charged in the year	66,483	-	47,856	4,699	38,088	4,058	161,184
Depreciation eliminated on disposal	-	-	-	-	-	(12,897)	(12,897)
At 31 July 2022	66,483	-	92,493	21,971	79,142	-	260,089
Carrying amount							
At 31 July 2022	7,470,549	-	333,619	32,500	171,307	-	8,007,975
At 31 July 2021	75,000	4,742,408	33,037	37,199	37,917	11,364	4,936,925

Assets under construction relates to the NUCASTLE building, which was completed 24 January 2022 and transferred out of assets under construction. Depreciation commenced from when the asset was brought into use.

The adjustment arises because of the final assessment and determination of the VAT payable on construction of NUCASTLE. This refund is due to be received after the year end and is included in other debtors.

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

14 Tangible fixed assets (Continued)

Charity	Freehold land and buildings	Plant and equipment £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
At 1 August 2021	75,000	77,674	54,471	78,971	20,203	306,319
Additions	-	-	-	55,965	-	55,965
Disposals	-	-	-	-	(20,203)	(20,203)
At 31 July 2022	75,000	77,674	54,471	134,936	-	342,081
Depreciation and impairment						
At 1 August 2021	-	44,637	17,272	41,054	8,839	111,802
Depreciation charged in the year	-	24,888	4,699	33,949	4,058	67,594
Depreciation eliminated on disposal	-	-	-	-	(12,897)	(12,897)
At 31 July 2022	-	69,525	21,971	75,003	-	166,499
At 31 July 2022	75,000	8,149	32,500	59,933	-	175,582
At 31 July 2021	75,000	33,037	37,199	37,917	11,364	194,517

NEWCASTLE UNITED FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

15 Fixed asset investments

	Shares in group undertakings
	£
Cost	
At 1 August 2021	2
Disposal	(1)
At 31 July 2022	1
Carrying amount	
At 31 July 2022	1
At 31 July 2021	2

Transfer of Newcastle United Women's Football Club Limited

Newcastle United Women's Football Club Limited (NUWFCL) has been a subsidiary company of Newcastle United Foundation since February 2018 and any losses have previously been covered by Newcastle United Football Company Limited. However, as NUWFCL is an elite sporting team it was not deemed appropriate for it to remain part of Newcastle United Foundation and the trustees agreed a transfer from the charity to Newcastle United Football Company Limited at fair market value on 25 July 2022.

Newcastle United Foundation Projects Limited:

	2022 £	2021 £
Summary Statement of Comprehensive Income		
Income	607,037	123,432
Expenditure	(531,719)	(37,206)
	75,318	86,226
Taxation	(20,188)	-
Net profit after tax	55,130	86,226

	2022 £	2021 £
The assets and liabilities of the subsidiary were:		
Fixed assets	7,829,580	4,742,408
Current assets	1,841,711	2,344,987
Creditors: amounts falling due within one year	(756,415)	(1,150,053)
Creditors: amounts falling due after more than one year	(8,894,730)	(5,901,893)
Provisions	(20,188)	-
Total net assets	(42)	35,449
Aggregated share capital and reserves	(42)	35,449

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

15 Fixed asset investments (Continued)

Newcastle United Women's Football Club Limited:

Summary Statement of Comprehensive Income	2022 £	2021 £
Turnover	61,812	31,197
Expenses	(59,243)	(28,628)
	<u>2,569</u>	<u>2,569</u>
Taxation	-	-
	<u>2,569</u>	<u>2,569</u>
Net profit after tax	<u>2,569</u>	<u>2,569</u>
	2022 £	2021 £
The assets and liabilities of the subsidiary were:		
Current assets	6,975	45,493
Creditors: amounts falling due within one year	(4,348)	(42,866)
	<u>2,627</u>	<u>2,627</u>
Total net assets	<u>2,627</u>	<u>2,627</u>
	2022 £	2021 £
Aggregated share capital and reserves	<u>2,627</u>	<u>2,627</u>

16 Debtors

	Group 2022 £	2021 £	Charity 2022 £	2021 £
Amounts falling due within one year:				
Trade debtors	487,245	95,143	281,811	95,143
Amounts due from group undertakings	-	-	69,618	16,866
Other debtors	490,293	223,545	-	-
Prepayments and accrued income	1,102,573	1,660,575	976,162	603,069
	<u>2,080,111</u>	<u>1,979,263</u>	<u>1,327,591</u>	<u>715,078</u>
	2022 £	2021 £	2022 £	2021 £
Amounts falling due after more than one year:				
Amounts due from group undertakings	-	-	2,078,507	1,368,377
	<u>-</u>	<u>-</u>	<u>2,078,507</u>	<u>1,368,377</u>
Total debtors	<u>2,080,111</u>	<u>1,979,263</u>	<u>3,406,098</u>	<u>2,083,455</u>

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

16 Debtors (Continued)

Amounts due from group undertakings represents an intercompany loan of £2,148,125 of which £69,618 is due in less than one year, and £2,078,507 is due after more than one year. The loan is due for repayment on 31 July 2027. Interest is charged at 2% above Bank of England base rate. The loan is secured over current and future property owned by the subsidiary.

17 Creditors: amounts falling due within one year

		Group 2022	2021	Charity 2022	2021
	Notes	£	£	£	£
Trade creditors		138,128	1,042,983	63,357	21,689
Amounts due to group undertakings		-	-	81,274	-
Amounts due to Newcastle United Football Company Limited		10,044	20,701	13,644	20,701
Other taxation and social security		374,635	121,573	316,425	121,573
Other creditors		28,085	-	28,085	-
Accruals		351,363	149,929	180,725	136,529
Deferred income	18	955,061	826,506	610,597	715,573
		<u>1,857,316</u>	<u>2,161,692</u>	<u>1,294,107</u>	<u>1,016,065</u>

18 Deferred income

Group	2022 £	2021 £
Balance as at 1 August 2021	826,506	773,767
Released from previous years	(777,506)	(697,745)
Resources deferred in the year	906,061	750,484
	<u>955,061</u>	<u>826,506</u>
Charity	2022 £	2021 £
Balance as at 1 August 2021	715,573	678,849
Released from previous years	(666,239)	(602,827)
Resources deferred in the year	561,263	639,551
	<u>610,597</u>	<u>715,573</u>

Deferred income includes income from Postcode Lottery, Tyne Metropolitan College, Northumbria Police, National Lottery, Carrick Foundation, Newcastle College, and Premier League Charitable Foundation.

NEWCASTLE UNITED FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

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 £64,799 (2021: £52,068). Contributions totalling £28,104 (2021: £nil) 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 2022

20 Analysis of charitable funds

For the year ended 31 July 2022:

Group	Balance at 1 August 2021	Movement in funds			Balance at 31 July 2022
		Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Unrestricted funds					
General funds	950,372	2,471,654	(2,450,040)	66,483	1,038,469
Designated funds	-	-	-	-	-
	950,372	2,471,654	(2,450,040)	66,483	1,038,469
Restricted funds					
Head office	106,465	342,831	(354,686)	-	94,610
Football development	180,620	347,573	(357,281)	-	170,912
Primary schools	314,830	460,964	(530,905)	-	244,889
Community	576,161	694,174	(613,209)	-	657,126
Health	97,537	370,596	(370,600)	-	97,533
NU Futures	69,466	944,993	(840,793)	-	173,666
NUCASTLE	5,818,807	2,362,283	-	(66,483)	8,114,607
Restricted funds	7,163,886	5,523,414	(3,067,474)	(66,483)	9,553,343
Total funds	8,114,258	7,995,068	(5,517,514)	-	10,591,812

Company	Balance at 1 August 2021	Movement in funds			Balance at 31 July 2022
		Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Unrestricted funds					
General funds	776,518	2,128,194	(2,019,039)	-	885,674
Designated funds	-	-	-	-	-
	776,518	2,128,194	(2,019,039)	-	885,674
Restricted funds					
Head office	353,616	436,021	(354,066)	-	435,571
Football development	187,586	317,242	(326,966)	-	177,862
Primary schools	254,829	460,964	(530,905)	-	184,888
Community	576,161	694,174	(613,209)	-	657,126
Health	97,537	370,596	(370,600)	-	97,533
NU Futures	11,132	777,585	(775,292)	-	13,425
NUCASTLE	1,254,865	-	-	-	1,254,865
Restricted funds	2,735,726	3,056,582	(2,971,038)	-	2,821,270
Total funds	3,512,244	5,184,776	(4,990,077)	-	3,706,944

NEWCASTLE UNITED FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

20 Analysis of charitable funds (Continued)

Unrestricted funds

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

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 below.

Football and sports development

Participative football coaching for children and young adults with a focus on underrepresented areas such as disability football and women and girls' football.

Primary schools

Inspiring primary school children to learn, be active and develop important life skills through physical education, numeracy and literacy and character development.

Community

A diverse range of programmes providing intervention and support to vulnerable children and young adults.

Health

A range of physical and mental wellbeing programmes including walking football for over 50s and 'Be a Game Changer' which is a mental health campaign targeted at male football fans.

NU Futures

Programmes focussing on personal development and employability for secondary school pupils and young adults.

NUCASTLE

The state-of-the-art hub from which members of the community engage in sport, develop skills, achieve qualifications, build confidence and progress in further training or employment.

The transfer between restricted and unrestricted funds represents the quantum of depreciation charged during the period on the fixed assets held within restricted funds.

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

20 Analysis of charitable funds (Continued)

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)	-
	<u>675,601</u>	<u>1,997,129</u>	<u>(1,722,358)</u>	<u>-</u>	<u>950,372</u>
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
	<u>2,692,179</u>	<u>6,282,946</u>	<u>(1,811,239)</u>	<u>-</u>	<u>7,163,886</u>
Restricted funds					
Total funds	<u>3,367,780</u>	<u>8,280,075</u>	<u>(3,533,596)</u>	<u>-</u>	<u>8,114,258</u>

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)	-
	<u>509,541</u>	<u>2,005,442</u>	<u>(1,738,465)</u>	<u>-</u>	<u>776,518</u>
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
	<u>1,902,794</u>	<u>2,570,761</u>	<u>(1,737,829)</u>	<u>-</u>	<u>2,735,726</u>
Restricted funds					
Total funds	<u>2,412,335</u>	<u>4,576,203</u>	<u>(3,476,294)</u>	<u>-</u>	<u>3,512,244</u>

NEWCASTLE UNITED FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

21 Analysis of group net assets between funds

For the year ended 31 July 2022:

	Unrestricted funds	Restricted funds general	Restricted funds NUCASTLE	Total
Group	£	£	£	£
Tangible fixed assets	189,581	-	7,829,580	8,019,161
Net current assets	848,888	1,438,736	285,027	2,572,651
	<u>1,038,469</u>	<u>1,438,736</u>	<u>8,114,607</u>	<u>10,591,812</u>
Charity				
Tangible fixed assets	111,769	-	75,000	186,769
Net current assets	773,905	1,566,405	1,179,865	3,520,175
	<u>885,674</u>	<u>1,566,405</u>	<u>1,254,865</u>	<u>3,706,944</u>

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>

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

22 Cash generated from operations	2022	2021
	£	£
Surplus for the year	2,477,554	4,746,478
Adjustments for:		
Investment income recognised in statement of financial activities	(2,676)	(11,594)
Depreciation and impairment of tangible fixed assets	161,184	47,702
Amortisation of intangible assets	1,189	-
Profit on disposal of tangible fixed assets	(7,293)	-
Movements in working capital:		
Decrease/(increase) in debtors	389,445	(748,705)
(Decrease)/increase in creditors	(444,868)	739,214
Increase in deferred income	128,555	52,739
Cash generated from operations	2,703,090	4,825,834

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:

	2022	2021
	£	£
Within one year	7,353	2,500
Between one and five years	29,411	10,000
In over five years	241,984	227,500
	278,748	240,000

The operating lease represents a lease of vending machines for a period of 3 years and Lemington Sports Ground. The Lemington sports Ground 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 2022

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.

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 office space, all of which amounted to £92,216 (2021: £26,374).

During the year, NUFC made a donation amounting to £632,987 (2021: £164,493).

This comprises the employee bonus from NUFC which is higher than the prior year as it is based on the league position of the first team.

Other payments made by the charity to NUFC during the year amounted to £344,764 (2021: £170,528) including stadium tours, match tickets for resale, together with recharges of costs incurred on the charity's behalf, including IT costs, 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 18 volunteers.