

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 2019**



NEWCASTLE UNITED FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

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

NEWCASTLE UNITED FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2019

The trustees present their report and consolidated financial statements for the year ended 31 July 2019.

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

Objectives and activities

Policies and objectives

The Foundation's vision is for a united community full of pride, potential and passion.

The Foundation's mission is:

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.

The Foundation's aims are:

- To promote active and healthy lifestyles, particularly in disadvantaged communities;
- To inspire people to learn and reach their potential;
- To help build safe, strong, active communities.

We do this by using the Newcastle United brand to engage, inspire and motivate.

The Foundation's values are:

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

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

Activities for achieving objectives

The Foundation has an average of 165 employees across the year of which 86 are permanent staff (2018: 71) and 79 are sessional coaches (2018: 72) to work across all its activities throughout Newcastle, Gateshead, North Tyneside and Northumberland. The Foundation plays an important role in increasing access to and encouraging active participation in football, sport and physical activity, in line with the Football Association, Sport England's strategy and NHS strategies. Using the brand of Newcastle United, the Foundation's projects also make an impact on health, crime and anti-social behaviour and on raising educational standards and on employability within the local community.

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

NEWCASTLE UNITED FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

Achievements and performance

During the year there were 53,160 attendances on Foundation programmes and although numbers and reach are important our focus and measure of success continues to be based on providing safe and quality provision.

We had a successful year with lots of positive outcomes for children and young people across our schools programmes. We ensure a positive relationship with each school supporting them to evidence the impact on pupil and school outcomes across subjects including PE, Enterprise, Maths, Literacy and PSHE whilst supporting attendance, behaviour and attainment initiatives, particularly for pupils furthest away from traditional success.

Across the community we continued to deliver targeted and sustainable interventions around employability, personal development and social action. Our Premier League Kicks programme continues to lead the way nationally in attrition and opportunities and provides a meaningful diversion from anti-social behaviour as well as supporting participants into volunteering and sessional work at Newcastle United Foundation.

Our Health and Well-being offer led by the 'Be a Game Changer' campaign aims to raise awareness and change perceptions of mental health issues. The campaign encourages fans to take action to look after their mental health, in a similar way to which they would look after their physical health.

Football is at the heart of our charity and we continue to offer opportunities regardless of age or ability across a number of commercial and free programmes throughout the community. Our youngest participant was 4 and the oldest 93 which really demonstrates our inclusive nature. Our disability football programmes continue to deliver free sessions across a range of abilities including blind, deaf, power chair, down syndrome, amputee as well as delivering comprehensive schools sessions linked to competitive playing opportunities for all.

Plans for future periods

2017-2020 Business Plan

The Foundation entered the 2nd year of an ambitious three year business plan with the following strategic aims.

- To grow, because we see the need for what we do
- To be better, because we aspire to be the best we can be
- To increase our reach and impact, through new programmes, facilities and resources
- To be admired and respected for our work

The progress made towards five strategic objectives which will help us realise this vision is detailed below:

Strategic objective	2018/19 Target	Achievements in 2018/19
1. Facilities	Lemington becoming fully operational following the opening in 17/18 Project Pitchside to open in 2021/22	Lemington Football Centre is now fully operational with a number of programmes running from the site including National Citizen Service, Princes Trust Team, Premier League Kicks as well as an 'over 50's fit club and beginner running clubs. Significant progress has been made to secure funding from private donations as well as strategic partners. A project timeline is in place and we recently announced a significant capital and revenue grant with the North of Tyne Combined Authority.

NEWCASTLE UNITED FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

Strategic objective	2018/19 Target	Achievements in 2018/19
2. Increase our reach	Target for participation attendance was 58,000	Although we did not reach target for participation we did support 53,160 attendees. We have focused on providing a pathway of participants between and through our provision of programmes as well as growth in key geographical areas. A significant achievement has been the development of our schools programmes in Northumberland which is rural in nature and challenging in terms of the development of workforce.
3. More Diverse Income Base	Donations £320k Fees £453k Grants £1,752k Contractual Payments £287k Sales £592k Fundraising £262k GIK £132k Interest £6k	Diverse income streams are essential for the Foundation to develop and grow with a long term ambition for the charity to earn more income than it raises. In 2018/19 sales and contracts comprised 23% of income with Premier League grants at 24% and other grants also at 22%. Fundraising and events was 7% with the NUFC donation and Gift in Kind comprising 6% and 3% respectively of total income.
4. More Impact	Growth of existing programmes An impact framework with measures of reach, quality, quantity, impact	Key programmes have been identified to create sustainable income which can provide impact for our community. Some key areas of development have been Premier league Primary Stars, National Citizen Service and our Post 16 Football and Education programme. We have developed a basic outcome framework to better articulate the impact of our programmes across key focus areas including: <ul style="list-style-type: none"> • Engagement & Attendance • Outcomes • Public Health Priorities • Opportunities to play football • Community targeted programmes • Access to physical hubs
5. Better Articulation of What we Do	Brand perception work outcome More external validation and recognition	We surveyed and met with funders, partners, participants, schools, Universities, colleges, commissioners and parents to better understand what they think about our Foundation and give an opportunity for feedback to help us improve our service. Key stats were: <ul style="list-style-type: none"> • 95% of participants were satisfied or very satisfied • 84% schools were satisfied or very satisfied with our service • 94% of fundraisers felt valued • 89% of parents would recommend us During 2018/19 we were successfully audited as part of the Premier League Safeguarding standards and are proud of the feedback we received on challenging but rewarding programmes like National Citizen Service and Princes Trust Team

NEWCASTLE UNITED FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

Highlights

Engagement and attendance

Engaged 53,160 people

Male 28,945

Female 24,215

SEN 5,050

BAME 6,891

Worked with 153 primary, 50 SEN and 35 secondary schools

Delivered 6,529 sessions in the last season to people from ages 5 to 22

Outcomes

1. Increased and improved opportunities for young people, up to 25, by
 - Supporting 41 young people into employment – which is 1 in 2.5... 39%
 - Giving 356 young people the opportunity to volunteer through NCS Social Action
 - Giving 85 young people the opportunity to volunteer through Volunteer pathway
 - Helping 1090 young people achieve qualifications
2. Helped address public health priorities by:
 - Delivering 9850 hours of physical activity
 - Increasing the physical activity levels of 21,671 people
 - Improving the wellbeing of 3752 people
 - Helping 123 people to lose weight
 - 850 "BeAGamechanger" Facebook members
 - Delivering 6259 hours of PE and school sport to 12994 pupils in 102 primary schools
3. Created opportunities for people of all abilities to play football
 - Giving 10,782 people the opportunity to play football
 - Delivering walking football sessions for 298 older people
 - Delivering 1296 sessions for 2273 disabled footballers
 - Delivering 28 football competitions for women and girls
 - Supporting the Newcastle Panthers, a Newcastle based LGBTQ team
 - Delivering a Street Football programme for 152 vulnerable and at risk of homelessness players

NEWCASTLE UNITED FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

4. Responded to the needs of the community with targeted programmes by

- Developing a marketing campaign to address mental health among our fan base reaching 29,895 people with positive messages about mental health via social media
- Ran innovative programme to tackle youth violence in partnership with BBC Children in Need and Northumbria Police and Crime Commissioner
- Worked with the Sir Bobby Robson Foundation to support children affected by cancer at the Great North Children's Hospital

5. Provided physical hubs where people can access a range of services

- Formal launch of Lemington Football Centre with Premier League representatives and local councillors.
- Delivering regular programmes in 140 community outreach centres across the North East
- Looking to launch Pitchside

Strategic report

Financial review

Total incoming resources for the year were £3,804,802 (2018: £3,640,682) and total expenditure was £3,506,108 (2018: £3,474,544). This has led to net incoming resources of £298,694 (2018: £166,138).

Income has increased during the year by £164k. This is largely driven by an increase in grants received of £244k. There were a number of grants for new programmes such as Wellbeing in Newcastle and Tackling Youth Violence, plus grants from new providers including the European Social Fund and Postcode Sports Trust.

Fundraising income decreased by £69k largely due to the current prevailing economic climate and some overlap with competing events. Matchday lottery income decreased by £34k as it was brought in house during the year before being outsourced to an alternative provider. The Foundation complies with the Fundraising Regulator's voluntary regulation scheme and has taken the necessary steps to ensure vulnerable people and members of the public are protected in relation to fundraising activities.

Income from football coaching and education increased by £147k, largely due to income from Princes' Trust TEAM and Post 16 Football and Education programmes which were new for 2018/19. Sales of services increased in the year by £93k due to an increase in primary stars income, partly driven by the more inclusive packages offered, plus new income streams for Holiday Hunger, Mental Health First Aid and Partner Clubs.

Income from donations includes an additional payroll donation made by NUFC to ensure Foundation staff also receive the performance bonus paid by NUFC to their own employees. In addition there was a donation of £75k which represents the value of the land donated to the Foundation by the charitable organisation which owned Murray House.

Expenditure on generating funds has decreased due to the lower costs associated with the fundraising dinner and the matchday lottery. Expenditure on charitable activities increased from 92% to 94% of total activities, due to the reduction in the cost of raising funds.

The cost of charitable activities largely comprises salaries and subsistence costs. The increase in costs reflects the increase in staff members in the year in line with increased programme activity. With increased income and increased delivery requirements, we have also had a higher demand for resources to support this delivery in terms of venue hire, equipment and resources. Conversely the support costs have decreased as there were some significant preliminary costs in relation to Murray House in the prior year.

NEWCASTLE UNITED FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

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 2019 would be £540,197. Reserves at 31 July 2019 stood at £1,144,651 (2018: £845,957) of which £30,719 (2018: £70,212) were designated and £641,864 (2018: £251,222) restricted, with £95,195 held in unrestricted fixed assets (2018: £70,832), leaving free reserves of £376,873 (2018: £453,691), which is a shortfall compared to the target, however the Trustees are committed to building up reserves in line with the target given the small annual surpluses planned.

Going concern

After making appropriate enquires, the trustees have a reasonable expectation that the Group 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.

Fundraising

The Foundation has a fundraising team which support individuals, schools and businesses, as well as organising events for the Foundation and the annual dinner.

Risk management

The Trustees maintain a comprehensive risk register, which is reviewed on a regular basis. Key risks are considered to be safeguarding and the capital project, given the significant funding required for this. The board have considered the impact of these and other risks and are satisfied that the systems and procedures the charity has in place as sufficient to mitigate these.

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 were:

C Alexander
L Charnley
J P B Marshall
B Thorpe
G Mason
J Doyle CBE
S A Harper
M R Thompson

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.

NEWCASTLE UNITED FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

Organisational structure and decision making

Our trustees meet four times a year for formal board meetings, in addition to which the Head of Foundation meets with the chair of the trustees on a monthly basis for a business review meeting. Trustees provide leadership for the Foundation's strategy and monitor our performance to ensure we are staying focused on our declared mission. The trustees also provide valuable networking support and access to various other stakeholders. Two sub-committees of the board are in operation; Finance and Risk and Nominations and Remuneration.

The Head of Foundation is appointed by the trustees to manage the day-to-day operations of the charitable company and lead the senior management team. The senior management team ensures the Foundation achieves its mission and its business plan, and works together to look at all the key issues involved with running the organisation. During the year the Senior Management Team comprised Head of Foundation - Kate Bradley, Senior Development Manager - Sarah Medcalf, Operations Manager - Steve Beharall and Senior Finance Manager - Helen Wilson. Kate Bradley is currently on secondment at Newcastle United Football Club and Steve Beharall is acting up into the Head of Foundation role. This team meets monthly.

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.

Related party relationships

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

The Foundation is grateful for the support of the Club's Managing Director, Lee Charnley, and senior management team: Head of Finance, Claire Alexander, Head of Business Development, Nicole Atkin, Head of Media, Lee Marshall, Head of Operations, Eddie Rutherford, Head of Security Steve Storey and Steve Harper, employee and for the ongoing support of other Club staff in areas such as accounts, payroll, IT, HR, facilities and the press office.

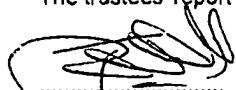
Auditor

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

Disclosure of information to auditor

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

The trustees' report was approved by the Board of Trustees on 9/12/19 and signed on its behalf by:



J.P.B. Marshall

Chair

Dated: 9/12/19

NEWCASTLE UNITED FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 JULY 2019

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

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

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

Opinion on financial statements

We have audited the financial statements of Newcastle United Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2019 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 July 2019 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

Opinion on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 8, the trustees' (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

RSM UK Audit LLP

Lucy Robson (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
1 St. James' Gate
Newcastle upon Tyne
NE1 4AD
12/12/19

NEWCASTLE UNITED FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JULY 2019

	Notes	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<u>Income from:</u>					
Donations and legacies	3	231,996	502,136	734,132	960,737
Charitable activities	4	1,251,715	1,550,895	2,802,610	2,313,575
Other trading activities	5	262,569	-	262,569	364,631
Investments	6	5,491	-	5,491	1,739
Total income		1,751,771	2,053,031	3,804,802	3,640,682
<u>Expenditure on:</u>					
Raising funds	7	199,751	10,992	210,743	282,868
Charitable activities	8	1,643,968	1,651,397	3,295,365	3,191,676
Total resources		1,843,719	1,662,389	3,506,108	3,474,544
Net (expenditure)/income for the year/ Net movement in funds		(91,948)	390,642	298,694	166,138
Total funds brought forward		594,735	251,222	845,957	679,819
Total funds carried forward		502,787	641,864	1,144,651	845,957

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

NEWCASTLE UNITED FOUNDATION**CONSOLIDATED BALANCE SHEET****AS AT 31 JULY 2019**

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	13		170,195		70,832
Current assets					
Debtors	15	381,579		267,674	
Cash at bank and in hand		1,485,881		1,157,060	
		<u>1,867,460</u>		<u>1,424,734</u>	
Creditors: amounts falling due within one year	16	<u>(893,004)</u>		<u>(649,609)</u>	
Net current assets			974,456		775,125
Total assets less current liabilities			<u>1,144,651</u>		<u>845,957</u>
Income funds					
Restricted funds	20		641,864		251,222
<u>Unrestricted funds</u>					
General unrestricted funds		472,068		524,523	
Designated funds		<u>30,719</u>		<u>70,212</u>	
			502,787		594,735
			<u>1,144,651</u>		<u>845,957</u>

The financial statements were approved by the Trustees on 9/12/19

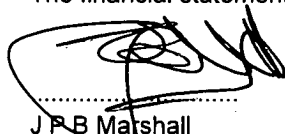

 J.P.B. Marshall
 Chair

NEWCASTLE UNITED FOUNDATION**COMPANY BALANCE SHEET****AS AT 31 JULY 2019**

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	13		170,195		70,832
Investments	14		2		2
			<u>170,197</u>		<u>70,834</u>
Current assets					
Debtors	15	527,807		414,975	
Cash at bank and in hand		1,307,957		1,127,550	
		<u>1,835,764</u>		<u>1,542,525</u>	
Creditors: amounts falling due within one year	16	<u>(856,076)</u>		<u>(768,992)</u>	
Net current assets			979,688		773,533
Total assets less current liabilities			<u>1,149,885</u>		<u>844,367</u>
Income funds					
Restricted funds	20		690,132		258,063
Unrestricted funds					
General unrestricted funds		429,034		516,092	
Designated funds		30,719		70,212	
		<u>459,753</u>		<u>586,304</u>	
			<u>1,149,885</u>		<u>844,367</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 £3,729,876 (2018: £3,544,614) and the net movement in funds for the financial year amounted to a surplus of £305,518 (2018: £164,549).

The financial statements were approved by the Trustees on 9/12/19


J P B Marshall
Chair

NEWCASTLE UNITED FOUNDATION

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	22		372,694		89,481
Investing activities					
Purchase of tangible fixed assets		(49,364)		(63,987)	
Interest received		5,491		1,739	
Net cash used in investing activities			(43,873)		(62,248)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			328,821		27,233
Cash and cash equivalents at beginning of year			1,157,060		1,129,827
Cash and cash equivalents at end of year			<u>1,485,881</u>		<u>1,157,060</u>

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

1 Accounting policies

Charity information

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

Accounting convention

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

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

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

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

Group financial statements

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

The charity also wholly owns Newcastle United Women's Football Club Limited, a dormant company.

Going concern

After making appropriate enquiries, 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.

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.

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.

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

1 Accounting policies (Continued)

Incoming resources

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

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

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

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

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

Resources expended

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

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

All expenditure is inclusive of irrecoverable VAT.

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.

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

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

1 Accounting policies (Continued)

During the year land worth £75,000 at Murray House was donated to the Foundation.

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.

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.

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

1 Accounting policies (Continued)

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.

3 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Donations and gifts	24,942	295,029	319,971	351,913
Grants received from Charitable Foundations	75,000	207,107	282,107	473,320
Gifts in kind	132,054	-	132,054	135,504
	<u>231,996</u>	<u>502,136</u>	<u>734,132</u>	<u>960,737</u>
For the year ended 31 July 2018	<u>263,716</u>	<u>697,021</u>		<u>960,737</u>

Gifts in kind

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

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

4 Charitable activities

By source of funding	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Football coaching & education - fees received	453,059	-	453,059	305,992
Sale of services as part of charitable activities	564,773	27,500	592,273	499,265
Contractual payments from governments or public authorities	233,883	53,417	287,300	282,444
Grants received for the provision of services	-	1,469,978	1,469,978	1,225,874
	<u>1,251,715</u>	<u>1,550,895</u>	<u>2,802,610</u>	<u>2,313,575</u>
For the year ended 31 July 2018	<u>1,053,210</u>	<u>1,260,365</u>		<u>2,313,575</u>

By charitable activity

Income from:				
Football and sports development	451,110	264,149	715,259	646,928
Learning and Skills	362,318	656,546	1,018,864	862,395
Community	398,441	459,762	858,203	698,444
Health	31,318	168,970	200,288	61,324
Other	9,996	-	9,996	44,484
	<u>1,253,183</u>	<u>1,549,427</u>	<u>2,802,610</u>	<u>2,313,575</u>

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Fundraising events	198,342	-	198,342	266,736
Online auctions and sale of goods and services	19,684	-	19,684	19,734
Matchday lottery	44,543	-	44,543	78,161
	<u>262,569</u>	<u>-</u>	<u>262,569</u>	<u>364,631</u>
Other trading activities	<u>262,569</u>	<u>-</u>	<u>262,569</u>	<u>364,631</u>
For the year ended 31 July 2018	<u>364,631</u>	<u>-</u>		<u>364,631</u>

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

6 Investments

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Interest receivable	5,491	-	5,491	1,739
For the year ended 31 July 2018	<u>1,739</u>	<u>-</u>		<u>1,739</u>

7 Raising funds

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Fundraising events	71,676	-	71,676	110,787
Online auctions and sale of goods and services	4,447	-	4,447	8,886
Matchday lottery	6,728	-	6,728	23,483
Staff costs	71,040	-	71,040	46,316
Other direct costs	8,260	-	8,260	1,572
Support costs	37,600	10,992	48,592	91,824
	<u>199,751</u>	<u>10,992</u>	<u>210,743</u>	<u>282,868</u>
For the year ended 31 July 2018	<u>234,185</u>	<u>48,683</u>		<u>282,868</u>

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

8 Charitable activities

	Football and sports development	Learning and Skills	Community	Health	Total 2019	Total 2018
	£	£	£	£	£	£
Staff costs	614,491	807,973	482,934	117,062	2,022,460	1,670,912
Depreciation and impairment	14,565	-	-	-	14,565	1,224
Direct project costs	274,848	202,234	235,168	77,977	790,227	812,620
Provision of donated tickets and facilities	33,822	48,179	40,582	9,471	132,054	135,504
	<u>937,726</u>	<u>1,058,386</u>	<u>758,684</u>	<u>204,510</u>	<u>2,959,306</u>	<u>2,620,260</u>
Share of support costs (see note 9)	83,098	118,372	99,706	21,309	322,485	555,053
Share of governance costs (see note 9)	3,477	4,952	4,171	974	13,574	16,363
	<u>1,024,301</u>	<u>1,181,710</u>	<u>862,561</u>	<u>226,793</u>	<u>3,295,365</u>	<u>3,191,676</u>
Analysis by fund						
Unrestricted funds	654,082	473,877	454,649	61,360	1,643,968	
Restricted funds	370,219	707,833	407,912	165,433	1,651,397	
	<u>1,024,301</u>	<u>1,181,710</u>	<u>862,561</u>	<u>226,793</u>	<u>3,295,365</u>	
For the year ended 31 July 2018						
Unrestricted funds	559,247	534,506	396,608	43,834		1,534,195
Restricted funds	465,252	706,675	432,711	52,843		1,657,481
	<u>1,024,499</u>	<u>1,241,181</u>	<u>829,319</u>	<u>96,677</u>		<u>3,191,676</u>

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

9 Support costs

	Support costs	Governance costs	2019	2018	Basis of allocation
	£	£	£	£	
Staff costs	322,261	-	322,261	346,121	Income
Depreciation	10,436	-	10,436	5,751	Income
General office costs	7,208	-	7,208	33,702	Income
Murray House costs	29,896	-	29,896	258,673	Income
Governance costs	-	14,850	14,850	18,993	Governance
	<u>369,801</u>	<u>14,850</u>	<u>384,651</u>	<u>663,240</u>	
Analysed between					
Trading	47,316	1,276	48,592	91,824	
Charitable activities	322,485	13,574	336,059	571,416	
	<u>369,801</u>	<u>14,850</u>	<u>384,651</u>	<u>663,240</u>	

Governance costs includes payments to the auditors of £10,650 (2018: £10,250) for group audit fees.

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

10 Net movement in funds

	2019	2018
	£	£
Net movement in funds is stated after charging		
Fees payable to the company's auditor for the audit of the company's financial statements	10,650	10,250
Depreciation of owned tangible fixed assets	25,001	6,975
Operating lease charges	1,875	-
	<u>37,526</u>	<u>17,225</u>
Non audit fees:		
Taxation compliance services	1,850	1,800
Other non audit services	3,900	3,750
	<u>5,750</u>	<u>5,550</u>

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
Football and sports development	21	21
Community	16	12
Learning and skills	31	24
Fundraising	3	5
Support	11	9
Health	4	-
	<u>86</u>	<u>71</u>

Employment costs

	2019 £	2018 £
Wages and salaries	2,192,748	1,899,929
Social security costs	184,946	130,024
Other pension costs	38,067	33,396
	<u>2,415,761</u>	<u>2,063,349</u>

In addition to the above number of employees, an average of 79 (2018: 72) sessional coaches were employed during the year.

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

	2019 Number	2018 Number
£60,001 - £70,000	<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 £198,423 (2018: £219,455).

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 (2018: £nil).

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

13 Tangible fixed assets

Group	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 August 2018	-	60,858	15,589	55,202	131,649
Additions	75,000	12,040	15,017	22,307	124,364
At 31 July 2019	75,000	72,898	30,606	77,509	256,013
Depreciation and impairment					
At 1 August 2018	-	-	11,636	49,181	60,817
Depreciation charged in the year	-	13,565	5,979	5,457	25,001
At 31 July 2019	-	13,565	17,615	54,638	85,818
Carrying amount					
At 31 July 2019	75,000	59,333	12,991	22,871	170,195
At 31 July 2018	-	60,858	-	9,974	70,832
Charity					
	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 August 2018	-	60,858	15,589	55,202	131,649
Additions	75,000	12,040	15,017	22,307	124,364
At 31 July 2019	75,000	72,898	30,606	77,509	256,013
Depreciation and impairment					
At 1 August 2018	-	-	11,636	49,181	60,817
Depreciation charged in the year	-	13,565	5,979	5,457	25,001
At 31 July 2019	-	13,565	17,615	54,638	85,818
Carrying amount					
At 31 July 2019	75,000	59,333	12,991	22,871	170,195
At 31 July 2018	-	60,858	-	9,974	70,832

During the year a property with a value of £75,000 was donated to the Foundation.

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

14 Fixed asset investments

	Shares in group undertakings £
Cost	
At 1 August 2018 & 31 July 2019	2
Carrying amount	
At 31 July 2019	2
At 31 July 2018	2

The Charity owns the entire share capital of Newcastle United Foundation Projects Limited and Newcastle United Women's Football Club Limited, which are both incorporated in the United Kingdom.

The registered office of both companies is St James' Park, Newcastle Upon Tyne, NE1 4ST.

A summary of the trading results and Balance Sheet position of Newcastle United Foundation Projects Limited is shown below.

Newcastle United Women's Football Club Limited did not trade during the period.

	2019 £	2018 £
Summary Statement of Comprehensive Income		
Turnover	82,232	99,724
Expenses	(86,233)	(98,132)
	(4,001)	1,592
Taxation	-	-
	(4,001)	1,592

	2019 £	2018 £
The assets and liabilities of the subsidiary were:		
Current assets	192,799	167,714
Creditors: amounts falling due within one year	(40,222)	(12,782)
Creditors: amounts falling due after more than one year	(157,809)	(153,340)
Total net assets	(5,232)	1,592
Aggregated share capital and reserves	(5,232)	1,592

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

15 Debtors	Group 2019 £	2018 £	Charity 2019 £	2018 £
Amounts falling due within one year:				
Trade debtors	180,040	160,714	177,520	154,714
Amounts due from group undertakings	-	-	3,295	-
Other debtors	2,690	3,834	1,695	3,795
Prepayments and accrued income	198,849	103,126	187,488	103,126
	<u>381,579</u>	<u>267,674</u>	<u>369,998</u>	<u>261,635</u>
Amounts falling due after more than one year:	2019 £	2018 £	2019 £	2018 £
Amounts due from group undertakings	-	-	157,809	153,340
	<u>-</u>	<u>-</u>	<u>157,809</u>	<u>153,340</u>
Total debtors	381,579	267,674	527,807	414,975
	<u>381,579</u>	<u>267,674</u>	<u>527,807</u>	<u>414,975</u>

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

16 Creditors: amounts falling due within one year		Group 2019 £	2018 £	Charity 2019 £	2018 £
	Notes				
Trade creditors		68,341	19,110	67,945	19,110
Amounts due to fellow group undertakings		-	-	-	132,165
Amounts due to Newcastle United Football Company Limited		13,478	158,385	13,478	158,385
Other taxation and social security		38,706	10,282	38,706	-
Other creditors		10,658	7,930	10,658	7,930
Accruals		123,601	180,386	118,100	180,386
Deferred income	17	638,220	273,516	607,189	271,016
		<u>893,004</u>	<u>649,609</u>	<u>856,076</u>	<u>768,992</u>

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

17 Deferred income

Group	2019 £	2018 £
Balance as at 1 August 2018	273,516	302,794
Released from previous years	(273,516)	(300,294)
Resources deferred in the year	638,220	271,016
	<u>638,220</u>	<u>273,516</u>
	<u><u>638,220</u></u>	<u><u>273,516</u></u>
Charity	2019 £	2018 £
Balance as at 1 August 2018	271,016	302,794
Released from previous years	(271,016)	(300,294)
Resources deferred in the year	607,189	268,516
	<u>607,189</u>	<u>271,016</u>
	<u><u>607,189</u></u>	<u><u>271,016</u></u>

Deferred income comprises income for Postcode sports lottery, Lion Trust, PCC Early Intervention and 5 a side.

18 Financial instruments	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	277,298	263,353
	<u>277,298</u>	<u>263,353</u>
Carrying amount of financial liabilities		
Measured at amortised cost	216,078	207,426
	<u>216,078</u>	<u>207,426</u>

19 Retirement benefit schemes

Defined contribution schemes

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

The charge to profit or loss in respect of defined contribution schemes was £38,067 (2018: £33,396). Contributions totalling £6,341 (2018: £7,930) were payable to the fund at the balance sheet date and are included in creditors.

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

20 Analysis of charitable funds

For the year ended 31 July 2019:

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

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

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

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 £54,212 brought forward and partially used in the year comprise amounts set aside from the surplus generated by the 2013 Steve Harper 20 year charity match towards a current health initiative. Expenditure of £23,493 has been utilised on staff costs in the year.

Designated funds of £16,000 brought forward relate to the Whitley Bay Football Club Donation designed for the use on the Murray House project and have been fully expensed during the year.

Restricted funds

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

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

20 Analysis of charitable funds (Continued)

For the year ended 31 July 2018:

Group	Balance at 1 August 2017	Movement in funds			Balance at 31 July 2018
		Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Unrestricted funds					
General funds	609,819	1,683,296	(1,752,592)	(16,000)	524,523
Designated funds	70,000	-	(15,788)	16,000	70,212
	<u>679,819</u>	<u>1,683,296</u>	<u>(1,768,380)</u>	<u>-</u>	<u>594,735</u>
Restricted funds					
Head office	-	424,290	(351,636)	-	72,654
Football development	-	406,241	(378,879)	-	27,362
Learning and skills	-	629,196	(591,534)	-	37,662
Community	-	443,736	(339,460)	-	104,276
Health	-	53,923	(44,655)	-	9,268
	<u>-</u>	<u>1,957,386</u>	<u>(1,706,164)</u>	<u>-</u>	<u>251,222</u>
Total funds	<u>679,819</u>	<u>3,640,682</u>	<u>(3,474,544)</u>	<u>-</u>	<u>845,957</u>

Company	Balance at 1 August 2017	Movement in funds			Balance at 31 July 2018
		Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Unrestricted funds					
General funds	609,818	1,597,228	(1,674,954)	(16,000)	516,092
Designated funds	70,000	-	(15,788)	16,000	70,212
	<u>679,818</u>	<u>1,597,228</u>	<u>(1,690,742)</u>	<u>-</u>	<u>586,304</u>
Restricted funds					
Head office	-	414,290	(334,795)	-	79,495
Football development	-	406,241	(378,879)	-	27,362
Learning and skills	-	629,196	(591,534)	-	37,662
Community	-	443,736	(339,460)	-	104,276
Health	-	53,923	(44,655)	-	9,268
	<u>-</u>	<u>1,947,386</u>	<u>(1,689,323)</u>	<u>-</u>	<u>258,063</u>
Total funds	<u>679,818</u>	<u>3,544,614</u>	<u>(3,380,065)</u>	<u>-</u>	<u>844,367</u>

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

21 Analysis of group net assets between funds

For the year ended 31 July 2019:

	Unrestricted funds £	Restricted funds £	Total £
Group			
Tangible fixed assets	95,195	75,000	170,195
Net current assets	407,592	566,864	974,456
	<u>502,787</u>	<u>641,864</u>	<u>1,144,651</u>
Charity			
Tangible fixed assets	95,197	75,000	170,197
Net current assets	364,556	615,132	979,688
	<u>459,753</u>	<u>690,132</u>	<u>1,149,885</u>

For the year ended 31 July 2018:

	Unrestricted funds £	Restricted funds £	Total £
Group			
Tangible fixed assets	70,832	-	70,832
Net current assets	523,903	251,222	775,125
	<u>594,735</u>	<u>251,222</u>	<u>845,957</u>
Charity			
Tangible fixed assets	70,834	-	70,834
Net current assets	522,311	251,222	773,533
	<u>593,145</u>	<u>251,222</u>	<u>844,367</u>

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

22 Cash generated from operations	2019 £	2018 £
Surplus for the year	298,694	166,138
Adjustments for:		
Investment income recognised in statement of financial activities	(5,491)	(1,739)
Donated assets	(75,000)	-
Depreciation and impairment of tangible fixed assets	25,001	6,975
Movements in working capital:		
(Increase) in debtors	(113,905)	(137,695)
(Decrease)/increase in creditors	(121,309)	85,080
Increase/(decrease) in deferred income	364,704	(29,278)
Cash generated from operations	372,694	89,481

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:

	2019 £	2018 £
Within one year	2,500	-
Between one and five years	10,000	-
In over five years	233,125	-
	245,625	-

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 2019

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

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

NUFC is also a significant donor to the charity, through other quantifiable gifts in kind such as match day tickets and vehicles, all of which amounted to £132,054 (2018: £135,504).

During the year, NUFC made a donation amounting to £215,294 (2018: £320,739).

During the year, NUFC processed the charity's payroll and pension schemes for part of the year until the Foundation made their own payments for a total value of £848,594 (2018: £1,742,610) which the charity repays in full to NUFC on a monthly basis. No service charge or mark-up fee was paid to NUFC by the charity for the provision of this service. The amount owing to NUFC by the charity in relation to payroll repayments at the year end was £13,478 (2018: £158,385).

Other payments made by the charity to NUFC during the year amounted to £174,940 (2018: £13,514) 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 87 volunteers.