

Middlesbrough Football Club Foundation
(Limited by Guarantee)

Annual Report and Financial Statements
for the Year Ended 31 August 2018

Registered Number: 03142447
Charity Number: 1059418

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Statement of Accounts
for the Year Ended 31 August 2018

	Page
Report of the Trustees	1 - 12
Report of the Independent Auditors	13- 14
Statement of Financial Activities	15
Balance Sheet	16
Statement of Cash Flows	17
Notes to the Accounts	18 - 27

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Trustees Report
for the Year Ended 31 August 2018

The trustees submit their report and the audited financial statements of Middlesbrough Football Club Foundation ('the Foundation') for the year ended 31 August 2018. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published on 16 July 2014 as amended by Update Bulletin 1 published on 2 February 2016.

The directors of the Foundation are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end are shown on page 9.

OBJECTIVES AND ACTIVITIES

The Board of Directors decide the strategic direction of the Foundation and the day to day decisions are made by the senior management of the Foundation.

The Foundation's main aims are:

- To encourage and advance the education of children and adults within the community with the purpose of promoting a healthy lifestyle and improving their condition of life.
- To promote community involvement in healthy recreation by providing facilities for the playing of football and other sports capable of improving physical health to such persons who have need for such improvement and to encourage and advance the education of such persons in order to allow them to develop to the best of their abilities, both physically and otherwise.

ACHIEVEMENT AND PERFORMANCE

Alongside the objects of the Foundation sits the Foundation's aim 'to be recognised as Teesside's most effective, inspirational Life Changer.'

The purpose of the Foundation is to harness the passion and power of the Football Club brand to raise aspirations and improve the life chances of young people and adults across Teesside.

This is performed through four main themed areas – Education, Sports Participation, Health and Social Inclusion. The Foundation aims to deliver its themed work across The Tees Valley with specific programmes targeted at working in areas of high deprivation to raise esteem, confidence and aspiration.

The Foundation's aims are to be inspirational in our local community, to work as a team, be professional and to always be inclusive.

Education

The Foundation's education arm delivers educational courses and workshops to provide qualifications and increase the skills, knowledge and aspirations of young people and adults. In 2017 - 2018 the Foundation delivered the following nine educational programmes in the local community:

- 1 The **Stepping Up** project moved into its third year, working with 25 Middlesbrough schools; three secondary schools (Trinity Catholic College, Unity City Academy and Acklam Grange) and 22 of their associated feeder primary schools. Additionally, in 2018, the programme expanded to Redcar and Cleveland, focussing on the ward of Grangetown, working in St Peter's Catholic College and Hillsideview Academy, with three of their associated primary schools. Stepping Up is funded through Middlesbrough Council's Public Health and Supporting Communities department and the PLPFA fund. The Grangetown programme was funded by Redcar and Cleveland's Public Health department. The programme employs Foundation coaches who are based in primary schools for six months prior to transition. The coach then moves up to the secondary school with the young people for another six months, providing a 'Trusted Adult' in the lives of those young people who take part for a full year.

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Trustees Report
for the Year Ended 31 August 2018

ACHIEVEMENT AND PERFORMANCE continued

- 2 The **Premier League Enterprise** programme is delivered to secondary school-aged students, working in mainstream settings with young people who are disengaged or require extra support. In the reporting period, the programme engaged 294 young people, supporting them to achieve a nationally recognised certificate in Business and Enterprise. Over a 20 hour period, usually delivered in two hour blocks, students learn about ‘The Business behind the Boro’ interacting with club and foundation employees, learning about different departments in the club and taking part in a behind the scenes tour of the Riverside Stadium.
- 3 Funded by British Land, owners of the retail and leisure facility ‘Teesside’, an outdoor retail park in Stockton - on-Tees, ‘**Raise Your Game**’ provided 20 young people from two Teesside Secondary Schools, the opportunity to participate in business and enterprise activities. The 2017-18 programme included a challenge set by the Centre Manager at ‘Teesside’, where students were tasked with developing and using an on-site container to bring custom and profit to the retail park. Students then pitched their ideas to the management of the park, and received motivational stories from the senior management team.
- 4 The **Premier League Enterprise Challenge** was conducted in the autumn of 2017. This annual challenge is set by the Premier League, and allows young people the opportunity to investigate and develop solutions to a real life business issue which professional football clubs and organising bodies very often experience. Last year Middlesbrough Football Club’s heat witnessed 25 students, from five teams competing, pitching their ideas on how to increase diversity of the supporters attending Middlesbrough Football Club home games to a panel of judges including Foundation Trustees and local business representatives. The successful group from Freebrough Academy then visited the King Power Stadium in Leicester where they won the semi-final and the opportunity to represent Middlesbrough at the national final in London. At the final they pitched their ideas to an esteemed panel of judges including Dragon’s Den star Theo Pathitis, Chelsea and England Women’s footballer Alex Scott, England star Graeme Le Saux and the Premier League’s Peta Bistanay.
- 5 A new innovative model of delivery is the ‘**Meaningful Encounters**’ programme. For this programme the Foundation utilised links with external business partners to create enterprise experience days, which are combined with the Enterprise Core programme. There have been two programmes completed working with three schools and three local businesses. Students completed their nationally recognised award whilst also learning industry specific skills and completing a "real life" problem which the businesses faced. They presented their solutions, to a panel of judges and received valuable feedback on the work they had completed.
- 6 The **Futsal & Education Scholarship** is a combined sports and education programme. Funded via Middlesbrough College and supported by the English Football League Trust. It is a full time programme for 16-18 year olds, structured around two education days, two training days, and either a match day or a third training day. Education days are held at The Riverside Stadium with learners studying towards a Level 3 BTEC Sport and earning the equivalent of two A Levels over a two year period. In 2017/2018 the programme engaged 21 learners, across two year groups.
- 7 **Premier League Primary Stars** is a flagship project from the Premier League which is currently being promoted on a national scale. The Premier League’s agenda is to deliver sport and education projects to every primary school in the UK. This year the Foundation has delivered to 14 partner schools based around Physical Education, Literacy, Numeracy and Personal Social Health Education (PSHE). Over 2,000 individuals were engaged in the activities, 85 sessions were delivered every week, 17 qualifications were completed by staff and 18 school teachers received continuous professional development sessions from MFC Foundation coaches.
- 8 **Roary’s Cubs** is a new programme, funded through the Premier League Charitable Fund’s Primary Stars Innovation Fund and match funded by schools. Roary’s Cubs is delivered to 4 –6 year olds as an introduction to physical activity, in a fun way! Five schools took part in the programme, engaging 200 participants. A key feature of the programme is the attraction of Middlesbrough FC’s mascot, Roary the Lion, who visits the schools to take part in the P.E. sessions with the young children, to motivate them to learn.
- 9 **Roary’s Class Acts (RCA)** aims to improve attendance in primary schools across the Tees Valley. The project uses the MFC brand and Roary the Lion to encourage young people to improve their attendance and punctuality at school, with the strapline - ‘every school day matters’. The programme uses a number of resources including; bookmarks, door hangers, fridge charts, A1 posters, A2 classroom posters and stickers to encourage primary school children to recognise the importance of good attendance.

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Trustees Report
for the Year Ended 31 August 2018

ACHIEVEMENT AND PERFORMANCE continued

After a successful first year, the Foundation is coming to the end of its Premier League funding for the programme, but match funding from Tees Valley Community Foundation and The Cleveland Centre continues. This has enabled the Foundation to create a small charge for the programme, increasing its chances of sustainability in future years. In total, over 15,000 young people have engaged in the programme this year, with over 40 schools participating.

Sports Participation

The Foundation aims to provide sport and physical activity opportunities for young people and adults through delivery in schools and community venues.

- 1 The **Premier League 4 Sport (PL4S)** programme, reported on in previous reports, ended in its full guise in 2016. However in 2017 a smaller model was started with an aim of integrating Multi-sports into our Premier League Kicks sessions

Over 300 participants took part in the multi-sports sessions in 2017 – 2018 which included basketball, in partnership with Middlesbrough College and Golf sessions at local community centres. Altogether, 94 of the participants who took part were aged 14 and over, 62 were female and over 215 of the 300 attendees attended for at least 5 sessions or more

- 2 **Premier League Girls Football** aims to encourage more girls to play football. This year the project engaged in excess of 440 girls in football sessions (double the Premier League target) including clubs held on an evening at secondary schools, back to football sessions and Futsal taster sessions. In total 148 of those girls participated in at least 10 sessions across the year and took part in over 14 competitions, with 41 girls transitioning into local football teams.

Accreditations were earned by 19 participants including 7 FA level one qualifications. In addition, 5 of the participants went on to volunteer for the Foundation and the PL Girls programme.

- 3 The **Walking Football** programme received funding from the Tees Valley Sports Foundation and aimed to engage with and coordinate the local provision of walking football for adults in the local area. Several weekly sessions were offered at the Herlingshaw Centre.

This year over 200 hours of the course were provided and 95 adults were engaged in the Walking Football programme. Participants were also sign posted on the other local teams as a progression route to take part in regular football. Currently the Foundation is working closely with the North Riding FA to co-ordinate the local provision of walking football, with the aim of creating a calendar of events including a number of local tournaments and festivals to take place during 2019.

Additionally the Foundation were represented in numerous football tournaments across the year, including the annual English Football League Trust, Kinder Move and Learn tournament for boys and girls, a national Futsal tournament and various social tournaments including those hosted locally by the Foundation. Across all tournaments the Foundation had over 1,500 young people and adults taking part.

Health

The theme of Health seeks to improve the health and well-being of our local communities through activities which promote healthier lifestyles. Those key activities include:

- 1 The **Football Fans in Training (FFIT)** programme received new funding from Middlesbrough Community Learning to engage with adults from across Middlesbrough. The project engages with men and women aged between 35-65 years with a waist size of 38 inches plus, with the aim of them losing 5-10% of their body weight over the duration of the 12 week programme. Each week participants take part in classroom based activities and workshops at the stadium, followed by exercise in the concourse areas (circuit, boxercise). The programme has developed to include club and external speakers in the sessions, and a graduation evening at the training ground as the guest of Club Head Chef, Howard Archer.

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Trustees Report
for the Year Ended 31 August 2018

ACHIEVEMENT AND PERFORMANCE continued

This year there has been 100 hours of FFIT delivery involving 80 participants. The combined weight loss of the group is over 48 stone and collectively they have lost 200 inches around the waist. A large proportion of the participants who have taken part in FFIT have been signposted on to other local sporting organisations or are still taking part in provision provided by the Foundation. One of the innovative ways the course was delivered this year was to engage with a local British Asian Minority Ethnic women's group, which saw the programme delivered to 40 women with little or no experience of the Football Club. As well as getting the benefit of exercising at the Stadium the women were given an introduction to the Football Club, as a way of breaking down traditional barriers towards their participation in football. They were also given the opportunity to attend 2 matches.

- 2 The **+Sport Move & Learn** programme funded by Ferrero, through the English Football League Trust, entered its fifth year of delivery, having engaged nearly 7,200 pupils from over 40 schools in the Tees Valley area since its launch in 2014. Last year alone 1,811 pupils were involved in the six week healthy living project that combines both classroom activities and sports sessions. Each week Move & Learn focuses on different topics, such as the importance of exercise and the human body and nutrition. Children are also given the opportunity to make fruit smoothies.

One of the highlights of the +Sport Move & Learn programme this year was a visit to one of the Foundation's partner schools by Middlesbrough player, Stewart Downing, to take part in a number of different classroom based activities followed by a Dodgeball session. In addition, in the summer term, several 'Joy of Moving Festivals' were held at partner schools where the whole school was engaged in activity themed days, where they took part in games, activities and classroom based challenges. Overall around 850 children were engaged in the Festivals.

- 3 The Foundation's **Fitter Families** project is a Premier League funded project, which engages parents and their children in healthy lifestyles education. Taking place in the schools setting, families attend a ten week course on the importance of having a balanced diet, physical activity and exercise, hydration, sleep and relaxation. A pilot project, Fitter Families, was delivered in four schools to a total of 80 individuals and engagement in all schools was sustained by 90% of families throughout the course.

Social Inclusion

The theme of Social Inclusion seeks to engage some of the most hard to reach people in the community by delivering programmes which inspire and upskill young people and adults, particularly in the most deprived areas on Teesside. Key programmes include:

- 1 **Premier League Kicks (PL Kicks)** is funded via the Premier League Charitable Fund, the Police and Crime Commissioner for Cleveland and North Star Housing. The programme works within the most deprived wards of the Tees Valley with the aim to reduce anti-social behaviour and crime by providing diversionary activities for young people aged 8-19 years on weekday evenings. PL Kicks has increased its core provision to a total of 21 weekly multi-sessions. In partnership with Cleveland Police key areas were identified, and hub sites were introduced to increase contact time with some of the hardest to reach young people.

Four priority areas have been identified together with Cleveland Police to develop Kicks 'Hub Sites'. This model engages each individual for a minimum of 6 hours per week, which enabled Foundation staff to have a more positive impact on influencing behaviour changes in the young people attending. Over 2,000 young people have attended the sessions over the past twelve months, which deliver four main topics all linked to the overall health theme, namely; fitter families, multi-sport, sports leaders and wellbeing. Some 20% of hub site participants are now qualified Sports Leaders, 100% of young people have had the opportunity to access over 20 events and in total over 35 volunteers are now "work ready" through experience, qualifications and CPD offered through the PL Kicks programme.

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Trustees Report
for the Year Ended 31 August 2018

ACHIEVEMENT AND PERFORMANCE continued

- 2 The **National Citizen Service** (NCS) is a flagship government programme for young people aged 15-17. The Foundation receives funding from VInspired and the English Football League Trust. Offering something for everyone this is a once in a lifetime opportunity. The programme is split into different phases. ‘Adventure’,- where young people live as a team away from home at an outdoor activity centre taking part in adrenaline fuelled activities such as canoeing, zip wire and gorge walking. ‘Discovery’ – sees the young people living in University style accommodation and living away from home. They develop important life skills such as communication, leadership and self-confidence. Finally, ‘Social Action’ - all of the skills and experience young people have gained and developed over the previous phases all come together and provide the opportunity for young people to create their very own social action project.

In total 131 young people across nine teams were engaged in NCS during the summer of 2018, the Foundation’s largest NCS programme to date. During the four week programme participants raised over £4,000 through their social action projects, which was then re-invested back into our local community. The programme scored 23.2% above the national average on programme satisfaction scores by parents and young people, and scored 100% in a quality assurance visit from the EFL Trust. Since completion of the programme young people have gone on to further volunteering opportunities internally and externally, and there is also a local youth board in place who are helping to shape future NCS programmes at the Foundation.

- 3 The **Premier League Inclusion** programme moved into its second year of a three-year project, funded by the Premier League and BT Sport Disability Fund. The main aim of the project is to create and provide sports participation opportunities for people across the Tees Valley who have a range of disabilities, including, but not restricted to, physical disabilities, learning disabilities, autism and mental health. Links have been established with 10 schools and colleges, six community groups, and four grassroots clubs.

During the year, the project engaged with over 1,000 participants through multi-sport sessions, including over 50 attending weekly ‘Borobility’ impairment specific sessions which have a unique focus on Downs Syndrome, Cerebral Palsy, Deaf and Hard of Hearing and Pan-Disability.

- 4 The **#ClubTogether** programme has seen the Foundation link up with the Methodist Asylum Project (M.A.P) in Middlesbrough who provided funding for the Foundation to engage with refugees and asylum seekers to encourage integration in their local communities. Currently in its third year, the project offers refugees and asylum seekers, new to the Middlesbrough area, the opportunity to improve both their English language skills and their football ability. Each week participants take part in English lessons and activities followed by a football session.

So far 60 men, from approximately 25 countries, have participated in the project based at the Herlingshaw Centre in South Bank. In addition to the weekly sessions the group has also entered four football tournaments, finishing both winners and runners up in a social inclusion tournament consisting of 20 teams from across the country. In addition to this, a team was taken to Derby to play against a similar programme delivered by Derby County Community Trust. This was to support Amnesty International’s Football Welcomes weekend, which celebrates the contribution made by refugees and asylum seekers to football. Since the launch of the programme the Foundation has given over 60 of our participants the opportunity to regularly watch Middlesbrough FC play at the Riverside Stadium.

- 5 The **Building Better Opportunities** programme, in partnership with the Northern Inclusion Consortium and Step Forward Tees Valley, is designed to support people in our local community in identifying and overcoming any barriers that they may be facing, and to help them into employment, education or training. The programme targets both male and female participants, aged 29 years and over, with multiple barriers that affect their lives. The aim is to provide support and ultimately enable them to take control and raise their aspirations. These barriers could include physical or mental ill-health, a lack of self-confidence, a gap in skills, a conviction or an addiction.

The role of the Foundation is to provide creative and enjoyable engagement opportunities in the form of participant centred weekly football sessions and tournaments both in the Middlesbrough and Darlington areas. These sessions are run by qualified Foundation coaches and are designed to provide a vibrant and positive environment, to have fun and improve fitness, teamwork, confidence and social skills.

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Trustees Report
for the Year Ended 31 August 2018

ACHIEVEMENT AND PERFORMANCE continued

The Foundation's involvement is highly regarded by the funders, and performance reviews have been very positive. The successful addition of the multi-sports element continues to have a positive impact on the participants' prospects, and, in addition to the 12 sports on offer in the engagement sessions, plans are underway to expand both in the range of activities on offer and additional venues in the local community. The programme is performing very well nationwide, and has been successful in gaining an extension from its funders.

- 6 The **Youth Employment Initiative (YEI)** project is funded by European Social Fund, via Hartlepool Borough Council, and is targeted at 15 – 29 year olds who are not in employment, education or training (NEET). An innovative and interactive programme is delivered to support participants' individual needs in order to progress them into sustainable employment, training or education opportunities.

A Sports Leaders UK Level 2 qualification is delivered, which supports in developing key skills such as confidence, communication and team work. The young people also take part in a number of workshops that will support individuals with life skills, budgeting and further develop them in areas such as resilience, problem solving and decision making.

This was the final year of the programme with the funding ending in June 2018. In total, 38 young people had enrolled on the course with 31 individuals having been signposted back into employment, education or training. Additionally two young people became self-employed, and 38 qualifications were delivered to participants.

- 7 The **Premier League Works** programme is designed to cater for young people who are not in education, employment or training (NEET), to help them progress along their employment pathway, and to achieve a person-centred outcome.

The Foundation delivers an innovative combination of one-to-one support, personal development workshops, work placements and community action projects to inspire and support young people to realise their potential.

The programme has continued to have a positive impact both on its participants and the local community and has now engaged over 50 participants. Once graduated, a high percentage of participants have been successful in gaining employment or further education in various sectors, including traineeships and apprenticeships, to full time employment and self-employment.

The programme continues to be refined and improved to meet with the evolving requirements of the participants. Community action projects remain an underpinning theme with which to inspire the participants to use the new skills and lessons from the programme to leave a legacy in the local community.

- 8 After its launch, in April 2016, **Team Talk** has operated across both Middlesbrough and Redcar & Cleveland, engaging men aged over 40 years who have been made redundant from SSI or from the supply chain. The project engages the men in 'boot rooms', where they attend weekly sessions which consist of workshops, guest speakers and opportunities to attend activities and events. Recently the group has attended the National Football Museum, been guest speakers at Teesside University and also played football with some of the MFC 1st team squad. Since April 2018 the boot rooms are now sustained by the members themselves, which still sees 20 members attending weekly. In addition to the weekly boot room meetings the group get together to help renovate local areas and volunteer their time to give back to the local community; this year alone has seen the group dedicate over 500 hours to volunteering. The group is still working with artist Mackenzie Thorpe and have recreated his well-known 'apostles' painting on which they now feature. Teesside University are ongoing partners of the project, and the university students carry out health checks and design fitness programmes for the group. All members are given the opportunity to attend MFC fixtures through dedicated season cards, and twice annually have trips to the stadium organised by the Foundation.

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Trustees Report
for the Year Ended 31 August 2018

ACHIEVEMENT AND PERFORMANCE continued

- 9 Funded by the Virgin Money Foundation, #Iwill launched in January 2018 with an aim of engaging 800 young people in Volunteering, Campaigning and Fundraising. The 15 week programme is delivered in both primary and secondary schools, and teaches young people about their local area, highlighting local issues in their community. In teams, the young people then come up with their own ideas to improve their local area and, after pitching to a 'dragon's den panel', are provided with a small grant to make those ideas a reality.

In 2017 – 2018, over 500 young people were engaged in the project across 16 schools. A total of 30 social action projects were delivered and 10 charities were supported by the projects.

The Royal Foundation – Coach Core

In December 2017, the Foundation became the lead administrator of the Royal Foundation's 'Coach Core' programme, an initiative which encourages young people to take part in sports apprenticeships across a wealth of Teesside based organisations. A total of 18 young people started the course, working across seven different employers. The Foundation led the way, employing five young people and overseeing the full administration of the grant programme in our area.

The unique course offers young people the opportunity to train and learn on the job, whilst completing a level two qualification in Activity Leadership. Young people also earned the opportunity to take part in sports master classes, at venues across the country, and gain a national governing body qualification in their chosen sport. Within the first nine months of the course, one of The Foundation's apprentices has already achieved a full time job at the Foundation and it is hoped more will follow once the first year of the programme comes to an end.

Herlingshaw Centre

The Herlingshaw Centre is a sports facility in South Bank, owned by Redcar and Cleveland Borough Council but managed by the Foundation. The Centre's first-class facilities include: an indoor 7-a-side 3rd Generation Artificial Grass Pitch, an outdoor full-size 3rd Generation Artificial Grass Pitch, three outdoor grass pitches, together with function rooms and classrooms, that are all available for hire by the general public, but also used by the Foundation for delivery of its programmes.

The Herlingshaw Centre is utilised by a variety of Foundation projects including: bi-weekly Futsal training sessions, PL Stars, Youth Employment Initiative, PL works, PL Kicks, Stepping Up and Football Fans in Training. The Foundation football and goalkeeping sessions, holiday courses and 'Early Starters', a programme for 2-4 year olds, are also delivered at the Herlingshaw facilities.

The centre is also used by external parties and organisations including Boro Rangers, Middlesbrough Ladies, Middlesbrough Football Club and the Girls Regional Talent Club. The centre's usage has steadily increased over the last year and the Board are pleased with its overall performance.

In total, across all projects in 2017 – 2018, the Foundation engaged with over 25,000 young people and adults in the community of Teesside

Other Fundraising activities and events

This year the Foundation organised its first 'Rockliffe to the Riverside' sponsored walk. This was very well attended and raised close to £5,000 for the Foundation. Other highlights included the Annual Dinner, which this year was moved from the Riverside Stadium to Rockliffe Hall. This year the Dinner raised over £18,000 for the charity. New partnerships with Newcastle Airport and Wynyard Park raised £8,000 and £25,000 respectively via a range of fundraising events and initiatives; these partnerships are set to continue in future years.

Fundraising has grown this year via a range of new initiatives and partnerships therefore exceeding in all areas. We retained all of last year's Friends of the Foundation and increased membership this year welcoming key partners such as Teesside University, and local businesses The TTE Technical Training Group and The Centre for Process Innovation (CPI). Fundraising governance has also greatly improved with the introduction of the Events and Fundraising Committee attended by three Trustees, the Head of Foundation and Business Development Manager.

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Trustees Report
for the Year Ended 31 August 2018

FINANCIAL REVIEW

The year end results show a net income of £122,845 (2017 £126,023).

The Trustees are pleased with the overall performance of the Foundation this year. The value of funds generated through unrestricted funding is particularly pleasing to the Board as well as the progress made by the Foundation in building up its reserves. Middlesbrough Football Club will renew its support on an annual basis.

Principal funding sources for the Foundation are the Premier League's Charitable Fund, The Football League Trust, The Football Foundation, Tees Valley Community Foundation and local educational establishments. The expenditure incurred in delivering these programs is predominantly on full time staff with additional costs for items such as specialist equipment, marketing and staff continuous professional development opportunities.

Reserves Policy

Unrestricted Reserves are part of a charity's funds that are freely available to spend on any of the charity's activities. The Trustees aim to maintain free reserves, being unrestricted funds other than fixed assets, at a level which equates to three months expenditure.

The Trustees consider that this level will provide sufficient funds to respond to applications for grants and ensure that support and governance costs are covered and that fundraising and other unrestricted charitable activities can be continued utilising the facilities at the Herlingshaw Centre. Based on the budget for the coming year this equates to a reserve requirement in the region of £400,000.

The balance held as unrestricted funds at 31 August 2018 was £544,130 (2017 £421,285) of which £327,696 (2017 £199,788) are regarded as free reserves, after allowing for funds tied up in tangible fixed assets. The required level of Unrestricted Reserves has not yet been achieved but the improvement in this year's unrestricted surplus shows that the Foundation is moving towards its requirement.

The Reserves statement in the statutory accounts will be reviewed by the Board on an annual basis.

PLANS FOR FUTURE PERIOD

The Foundation plans to launch a new strategy in 2019, combining all the current work whilst focussing on creating a quality culture across the organisation. The Foundation has been successful this year in sustaining its turnover after relegation from the Premier League and creating a culture of which to be proud. Now, the Foundation is in a position to steadily grow the reach of the organisation to engage and work with more participants, local businesses, donors and funders.

Through a quality service and culture, the Foundation's governance will be enhanced through the creation of new committees, clear aims and objectives and staff development plans. Additionally, the Foundation will look to progress the development plans for the Herlingshaw Centre, aiming to make the centre more state-of-the-art with higher usage and a more prominent profile in the local community.

The Foundation will continue to progress the Royal Foundation's Coach Core programme, after a successful first year, and aim to grow and develop key projects including developing a health project which benefits the local community.

As in previous years, the Foundation will continue to generate further unrestricted income, which has steadily increased over the years, to support the reserves of the charity.

The Foundation is confident that it can generate an operating surplus and build up sufficient reserves to cover any unforeseen expenditure.

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Trustees Report
for the Year Ended 31 August 2018

REFERENCE AND ADMINISTRATIVE DETAILS

Company registration number:	03142447
Charity registration number:	1059418
Registered office:	Brignell Road Riverside Park Industrial Estate Middlesbrough TS2 1PS
Solicitors:	Endeavour Partnership LLP Tobias House St Marks Court Teesdale Business Park Teesside TS17 6QW
Bankers:	Barclays Bank Plc PO Box 378 71 Grey Street Newcastle upon Tyne NE99 1JP
Auditors:	Anderson Barrowcliff LLP 3 Kingfisher Court Bowesfield Park Stockton on Tees TS18 3EX

DIRECTORS AND TRUSTEES

The Directors of the Foundation are its Trustees for the purpose of Charity Law.
The Directors and Trustees of the Foundation who held office during the year are as follows:

Trustees:	R Mallon – Chairman A W Bage J Baker N J Bausor J R Bloom J Fryett J Khan G J Redman P Rowley OBE C S Smith
Secretary:	N Jackson
Patrons:	S Gibson S McGovern J Stelling
Key Management Personnel:	
Chief Executive & Head of Foundation	H Bowman

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Trustees Report
for the Year Ended 31 August 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Foundation is a company limited by guarantee. The guarantee of members is limited to £1 each in the event of the Foundation being wound up. The Foundation is governed by its Memorandum and Articles of Association, dated 29 December 1995 and amended on 2 October 2012.

Recruitment, Induction, Training and Development

The Foundation was established by Middlesbrough Football Club who support the Foundation. The appointment of the Foundation's Trustees is made by the Foundation's Board of Directors. Trustees meet all new Board appointments who are presented with induction material, which includes the latest published financial statements of the Foundation and a business plan for the strategic direction going forward. A detailed explanation of how the Foundation operates is given, and any questions are answered.

The Board oversees the induction of all new Trustees to ensure they have the opportunity to familiarise themselves with the Foundation and are aware of their roles and responsibilities going forward.

Organisational Structure

The Board of Trustees, outlined in the reference information above, meet at a minimum quarterly to discuss the performance of the Foundation. The Head of Foundation attends all board meetings and reports to the Trustees on the daily running of the Foundation. This year, the Foundation established a Finance Committee and a Fundraising and Events Committee, each comprising of three Trustees and Senior Management representation. Financial and fundraising decisions are made by these committees, with any key decisions being made by the Board. Other decisions on the day to day running of the Foundation are made by the Head of Foundation and Senior Management Team.

Remuneration Policy for Senior Staff

The Board of directors, who are the Foundation's trustees, and the senior management team comprise the key management personnel of the Foundation in charge of directing and controlling, running and operating the Foundation on a day to day basis. All directors give of their time freely and no director received remuneration in the year. Details of directors' expenses and related party transactions are given in note 11 to the accounts.

The remuneration of senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the Foundation the directors benchmark against remuneration levels in other clubs' foundations, and also consider the ability of the Foundation to cover the cost of any increases.

Risk Management

To minimise the risk of cessation of the Foundation's activities, the Board continually seeks new funding to secure the continuation of the Foundation. However, in the current economic climate, the Board is extensively seeking further grant opportunities, as local government and councils have fewer funds available for the scope of services that the Foundation performs. A reorganisation of the structure of the Foundation has taken place following confirmation from the Premier League Charitable Trust that the Foundation's Capability Status has been approved. The Foundation has a full Risk Management policy and the major risks are reviewed by the Trustees twice a year.

Related Parties

The Foundation is closely related to Middlesbrough Football Club. The Foundation has use of the name and badge of Middlesbrough Football Club and occupies part of the Riverside Stadium. The Directors are grateful for the administration services and use of facilities donated by Middlesbrough Football Club. The value of these services in the year totalled £192,399 (2017: £213,150).

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Trustees Report
for the Year Ended 31 August 2018

RESPONSIBILITIES OF MEMBERS OF THE BOARD OF TRUSTEES

The Trustees, who are also Directors of Middlesbrough Football Club Foundation for the purposes of company law, are responsible for preparing the Trustees' annual report and 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 Foundation and for the incoming resources and application of resources, including income and expenditure of the Foundation 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;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Foundation 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 Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

We, the Trustees of the Foundation who held office at the date of approval of these financial statements, as set out above, each confirm so far as we are aware, that:

- there is no relevant audit information of which the Foundation's auditors are unaware; and
- the Trustees have taken all the steps that they ought to have taken as Directors in order to make ourselves aware of any relevant audit information and to establish that the Foundation's auditors are aware of that information..

PUBLIC BENEFIT

The Foundation strives to understand the needs of the area's young people and looks for funding opportunities within the region's business market.

By working in partnership with local schools and local businesses the management team can better understand the needs and requirements of local people, and then try to access the most appropriate funding streams to provide suitable means for those individuals to access their education and sporting needs.

When reviewing the aims and objectives of the Foundation the Board of Trustees has referred to Charity Commission general guidance on Public Benefit and is satisfied that the Foundation meets Public Benefit requirements.

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Trustees Report
for the Year Ended 31 August 2018

AUDITORS

The Auditors, Messrs Anderson Barrowcliff LLP have expressed their willingness to continue in office for the ensuing year, and a resolution proposing their re-appointment as Auditors will be put to the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On Behalf of the Board

R Mallon
Chairman

Date: 05 March 2019

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Independent Auditor's Report to the Members of Middlesbrough Football Club Foundation

Opinion

We have audited the financial statements of Middlesbrough Football Club Foundation for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland; 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 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 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 Report of the Trustees, 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 matter 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Independent Auditor's Report to the Members of Middlesbrough Football Club Foundation

Matters on which we are required to report by exception

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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, 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 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 a Report of the Independent Auditors 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: www.frc.org.uk/auditors_responsibilities. This description forms part of our Report of the Independent Auditors.

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.

Beverley Blakey FCA - Senior Statutory Auditor
For & on behalf of Anderson Barrowcliff LLP
Statutory Auditor
3 Kingfisher Court
Bovesfield Park
Stockton on Tees
TS18 3EX

Date: 14 March 2019

Middlesbrough Football Club Foundation
A Company Limited by Guarantee

Statement of Financial Activities
(including income and expenditure account)
for the Year Ended 31 August 2018

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 £
Income					
Donations and legacies	2	224,089	-	224,089	268,099
Income from charitable activities	3	542,063	1,014,193	1,556,256	1,483,327
Other trading activities	4	150,835	-	150,835	122,572
Total income		916,987	1,014,193	1,931,180	1,873,998
Expenditure					
Costs of raising funds	5	56,608	-	56,608	84,327
Charitable activities	6	732,991	1,018,736	1,751,727	1,663,648
Total Expenditure		789,599	1,018,736	1,808,335	1,747,975
Net income		127,388	(4,543)	122,845	126,023
Transfers between funds	19	(4,543)	4,543	-	-
Net movement in funds		122,845	-	122,845	126,023
Reconciliation of Funds					
Funds brought forward at 1 September 2017		421,285	5,885	427,170	301,147
Total funds carried forward at 31 August 2018	17	544,130	5,885	550,015	427,170

The notes on pages 18 to 27 form an integral part of these financial statements

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Balance Sheet As At 31 August 2018

	Note	2018		2017	
		£	£	£	£
Fixed Assets					
Tangible assets	12		320,764		336,270
Current Assets					
Debtors	13	39,328		89,190	
Cash at bank & in hand		564,322		432,960	
		603,650		522,150	
Creditors: Amounts falling due within one year	14	(176,539)		(217,780)	
Net Current Assets			427,111		304,370
Total Assets Less Current Liabilities			747,875		640,640
Creditors: Amounts falling due after more than one year	15		(197,860)		(213,470)
Net Assets	16		550,015		427,170
Funds					
Restricted funds	19		5,885		5,885
Unrestricted funds	17		544,130		421,285
Total Funds	16		550,015		427,170

These accounts have been prepared in accordance with the special provision in Part 15 of the Companies Act 2006 relating to small companies.

The accounts were approved by the board of trustees on 5 March 2019 and signed on its behalf by

R Mallon
Chairman

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Statement of Cash Flows
for Year Ended 31 August 2018

		<u>2018</u>	<u>2017</u>
	<u>Note</u>	£	£
Cash from operating activities	23	161,362	211,785
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(30,000)	-
Net cash flow provided by (used in) investing activities		(30,000)	-
Change in cash and cash equivalents in the year		131,362	211,785
Cash and cash equivalents at the beginning of the year		432,960	221,175
Cash and cash equivalents at the end of the year		564,322	432,960

The notes on pages 18 to 27 form an integral part of these financial statements

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Notes to the Accounts for the Year Ended 31 August 2018

1 ACCOUNTING POLICIES

(a) General Information and basis of preparation

Middlesbrough Football Club Foundation is a private company limited by guarantee registered in England and Wales. It is registered as a charity with the Charity Commission. The address of the registered office is given in the Report of the Trustees on page 9. The nature of the Foundation's operations and principal activities are shown in the Report of the Trustees on page 1. The members of the Foundation are the trustees listed on page 9. In the event of the Foundation being wound up, the liability in respect of the guarantee is limited to £1 per member of the Foundation.

The Foundation constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charitable companies preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention. The trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Foundation to be able to continue as a going concern.

The financial statements are prepared in sterling which is the functional currency of the Foundation, rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Income

Items of income are recognised and included in the SOFA when all the following criteria are met:

- The Foundation have entitlement to the funds;
- Any performance conditions attached to the item(s) of income have been met or are fully within the control of the Foundation.
- There is sufficient certainty that receipt of the income is considered probable; and
- The amount can be measured reliably.

Donations and grants received for specific purposes are classed as restricted and are deferred until the Foundation is entitled to the funding and has met the conditions set out in the funding agreement.

Gifts in kind are included within donations in the SOFA at an estimate of the cost of providing the service. The equivalent cost is also included within resources expended.

There is no netting off of expenditure within the accounts.

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Notes to the Accounts for the Year Ended 31 August 2018

1 ACCOUNTING POLICIES ...continued

(c) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. 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 can be measured reliably. Irrecoverable VAT is included in expenditure against the relevant cost for which the expenditure was incurred. Expenditure is classified under the following headings:

- Costs of raising funds are those incurred in attracting donations, and those incurred in trading activities that raise funds.
- Charitable expenditure comprises those costs incurred by the Foundation in the delivery of its activities. It includes both costs which can be directly allocated to activities and those costs of an indirect nature.
- Support costs are those functions that assist the work of the Foundation but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs.
- Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

(d) Fixed assets

Fixed assets are stated at purchase cost together with any incidental costs of acquisition less accumulated depreciation. Assets are capitalised if they cost more than £500 and are expected to last more than one year.

Depreciation is calculated on a straight line method to write off the cost of fixed assets over their estimated useful economic lives as follows:

Computer equipment	25% per annum straight line
Fixtures and fittings	20% per annum straight line
Land and buildings	5% per annum straight line

(e) Debtors

Trade and other debtors are recognised at the settlement amount due.

(f) Cash at bank

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(g) Creditors

Creditors and provisions are recognised where the Foundation has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Notes to the Accounts for the Year Ended 31 August 2018

1 ACCOUNTING POLICIES ...continued

(h) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Foundation and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Foundation for particular purposes. The cost of raising and administering the funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

(i) Financial instruments

The Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

(j) Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities as incurred.

(k) Pension scheme

The Foundation operates a fully insured, contributory defined contribution pension scheme for all employees. The Foundation contributions are charged to the SOFA in the period to which they relate.

(l) Judgements and Key sources of estimation uncertainty

In the application of the Foundation's accounting policies, which are described above, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2 DONATIONS AND LEGACIES

	Unrestricted £	Restricted £	2018 £	2017 £
Middlesbrough Football Club	25,000	-	25,000	28,659
Middlesbrough Football Club Gifts in kind	192,399	-	192,399	213,150
Donations	6,690	-	6,690	26,290
	<u>224,089</u>	<u>-</u>	<u>224,089</u>	<u>268,099</u>

The £192,399 gift in kind costs (2017: £213,150) donated by Middlesbrough Football Club is an estimate of the value of staff time and donated facilities provided to Middlesbrough Football Club Foundation. The associated expenses are included within the Sports Participation costs as detailed in note 6.

Income from donations and legacies for 2017 was £268,099 all of which was attributable to unrestricted.

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Notes to the Accounts for the Year Ended 31 August 2018

3 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted £	Restricted £	2018 £	2017 £
Education	153,545	455,870	609,415	434,688
Sports participation	275,128	69,695	344,823	437,581
Health	2,100	71,399	73,499	85,872
Social inclusion	111,290	417,229	528,519	525,186
	<u>542,063</u>	<u>1,014,193</u>	<u>1,556,256</u>	<u>1,483,327</u>

Income from charitable activities for 2017 was £1,483,327 of which £941,842 was attributable to restricted and £541,485 was attributable to unrestricted.

4 INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted £	Restricted £	2018 £	2017 £
<i>Fundraising activities:</i>				
Fundraising	123,598	-	123,598	92,820
Sundry income	27,237	-	27,237	29,752
	<u>150,835</u>	<u>-</u>	<u>150,835</u>	<u>122,572</u>

Income from other trading activities for 2017 was £122,572 all of which was attributable to unrestricted.

5 COSTS OF RAISING FUNDS

	Unrestricted £	Restricted £	2018 £	2017 £
<i>Fundraising activities:</i>				
Staff costs	30,196	-	30,196	45,623
Equipment and consumables	6,083	-	6,083	5,755
Promotions & Events	14,335	-	14,335	-
Travel and tours	5,577	-	5,577	13,269
Premises costs	-	-	-	152
Other costs	417	-	417	19,528
	<u>56,608</u>	<u>-</u>	<u>56,608</u>	<u>84,327</u>

Costs of raising funds for 2017 was £84,327 all of which was attributable to unrestricted.

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Notes to the Accounts for the Year Ended 31 August 2018

6 EXPENDITURE ON CHARITABLE ACTIVITIES

	Education	Sports		Social	Total	Total
	£	Participation	Health	Inclusion	2018	2017
		£	£	£	£	£
Staff Costs	324,928	155,487	43,542	293,588	817,545	808,226
Equipment & Consumables	35,461	8,415	7,616	26,968	78,460	152,714
Travel & Tours	27,431	3,500	2,710	24,693	58,334	41,236
Depreciation	5,096	34,948	798	4,664	45,506	44,994
General Office Costs	-	-	-	481	481	1,535
Premises Costs	20,084	83,965	2,506	44,919	151,474	132,506
Training	16,509	910	-	21,590	39,009	32,236
Events	19,039	14,113	1,134	28,434	62,720	39,177
Other Costs	62,281	5,157	2,374	15,212	85,024	17,215
3G Pitches Sinking Fund	-	36,000	-	-	36,000	36,000
Support costs (see below)	148,061	20,291	21,370	141,530	331,252	327,689
Governance costs (note 7)	20,641	3,156	3,233	18,892	45,922	30,120
	679,531	365,942	85,283	620,971	1,751,727	1,663,648

Support Costs

	Education	Sports		Social	Total	Total
	£	Participation	Health	Inclusion	2018	2017
		£	£	£	£	£
Staff Costs	46,447	5,519	6,047	46,571	104,584	74,677
General office costs	15,046	2,080	2,186	14,336	33,648	44,801
Equipment & Consumables	13,367	1,838	1,934	12,760	29,899	31,712
Events	20,955	3,243	3,313	19,077	46,588	44,983
Travel & Tours	506	77	79	463	1,125	619
Bank charges	-	-	-	-	-	897
Premises costs	51,740	7,534	7,811	48,323	115,408	130,000
	148,061	20,291	21,370	141,530	331,252	327,689

Expenditure on charitable activities was £1,751,727 (2017: £1,663,648) of which £1,018,736 (2017: £942,342) was attributable to restricted and £732,991 (2017: £721,306) was attributable to unrestricted.

7 GOVERNANCE COSTS

	2018	2017
	£	£
Staff costs	32,734	24,000
Trustees Insurance	1,305	-
Bank Charges	1,163	-
Legal fees	1,520	-
Audit & accountancy fees	9,200	6,120
	45,922	30,120

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Notes to the Accounts for the Year Ended 31 August 2018

8 NET INCOME/(EXPENDITURE) FOR THE YEAR

This is stated after charging:-

	2018	2017
	£	£
Depreciation	45,506	44,994
Auditors remuneration – for audit	6,300	6,120
Operating lease rentals – equipment	5,952	4,243
	=====	=====

9 STAFF COSTS

	2018	2017
	£	£
Wages & salaries	905,816	782,264
Social Security costs	52,661	44,609
Pension costs	9,976	6,345
	=====	=====
	968,453	833,218

No employee received more than £60,000 per annum.

The average monthly head count for the year was 62 (2017: 56).

10 TAXATION

The Foundation is a Charity established under the Charities Act 2011. Accordingly, the Foundation is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 10 of the ITA 2007 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

11 TRUSTEES' AND KEY MANAGEMENT PERSONNEL REMUNERATION AND EXPENSES

None of the Trustees received any remuneration in the year (2017: £nil)

One Trustee had expenses in the year amounting to £496 (2017: £989) for travel and subsistence.

The total amount of employee benefits received by key management personnel is £54,857 (2017: £72,472). The Foundation considers its key management personnel comprise the Chief Executive/Head of Foundation. There is 1 (2017 – 2) key management person accruing pension arrangements.

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Notes to the Accounts for the Year Ended 31 August 2018

12 TANGIBLE FIXED ASSETS

	Land and Buildings £	Fixtures and Fittings £	Computer Equipment £	Total £
Cost				
At 1 September 2017	668,176	93,673	36,130	797,979
Additions	-	30,000	-	30,000
At 31 August 2018	<u>668,176</u>	<u>123,673</u>	<u>36,130</u>	<u>827,979</u>
Depreciation				
At 1 September 2017	343,649	90,678	27,382	461,709
Provided during year	33,403	4,948	7,155	45,506
At 31 August 2018	<u>377,052</u>	<u>95,626</u>	<u>34,537</u>	<u>507,215</u>
Net Book Value				
At 31 August 2018	<u>291,124</u>	<u>28,047</u>	<u>1,593</u>	<u>320,764</u>
At 31 August 2017	<u>324,527</u>	<u>2,995</u>	<u>8,748</u>	<u>336,270</u>

All tangible fixed assets were used for charitable purposes.

13 DEBTORS

	2018 £	2017 £
Trade debtors	14,015	19,812
Prepayments and accrued income	25,148	54,194
Other debtors	165	15,184
	<u>39,328</u>	<u>89,190</u>

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	31,783	52,013
Other taxes & social security costs	25,068	17,709
Accruals	32,089	18,602
Other creditors	38,532	1
Deferred income	49,067	129,455
	<u>176,539</u>	<u>217,780</u>

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Notes to the Accounts for the Year Ended 31 August 2018

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018	2017
	£	£
Amounts owed to Middlesbrough Football Club	28,505	31,130
Deferred income	93,887	104,340
Other creditors	75,468	78,000
	197,860	213,470
	197,860	213,470

Deferred income comprises funding received in advance for projects over a specific time period of which overlaps the year end.

16 ANALYSIS OF NET ASSETS

Fund balances 31 August 2018 are represented by:-

	Unrestricted	Restricted	2018	2017
	£	£	£	£
Tangible fixed assets	216,434	104,330	320,764	336,270
Current assets	559,141	44,509	603,650	522,150
Creditors falling due within one year	(127,472)	(49,067)	(176,539)	(217,780)
Creditors falling due after one year	(103,973)	(93,887)	(197,860)	(213,470)
	544,130	5,885	550,015	427,170
	544,130	5,885	550,015	427,170

17 ANALYSIS OF MOVEMENT IN FUNDS

	Unrestricted	Restricted	2018	2017
	£	£	£	£
At 1 September 2017	421,285	5,885	427,170	301,147
Incoming resources	916,987	1,014,193	1,931,180	1,873,998
Outgoing resources	(789,599)	(1,018,736)	(1,808,335)	(1,747,975)
Gross transfers between funds	(4,543)	4,543	-	-
	544,130	5,885	550,015	427,170
At 31 August 2018	544,130	5,885	550,015	427,170

18 SHARE CAPITAL

The Foundation does not have any share capital and is limited by guarantee. The members of the Foundation are directors and their guarantee is limited to £1.

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Notes to the Accounts for the Year Ended 31 August 2018

19 RESTRICTED FUNDS

	Education	Sports	Health	Social	Total
	£	Participation £	£	Inclusion £	£
Balance at					
1 September 2017	5,885	-	-	-	5,885
Received in year	455,870	69,695	71,399	417,229	1,014,193
Expended in year	(464,535)	(59,896)	(67,031)	(427,274)	(1,018,736)
Gross transfers between funds	8,665	(9,799)	(4,368)	10,045	4,543
	<u>5,885</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,885</u>
Balance at 31 August 2018	<u>5,885</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,885</u>

The monies received relate to grants made by the following bodies for the following purposes:-

Enterprise income was granted by the Premier League Charitable Fund, Sport Relief, British Land and local schools to support delivery of enterprise education in the local community. Education income was provided as donated by Middlesbrough College to support a Futsal Education programme. Income for 'Stepping Up' was provided by Middlesbrough Council Public Health, Middlesbrough Council Supporting Communities, Redcar and Cleveland Borough Council and the Premier League Charitable Fund. 'Roary's Class Acts' was funded via the Premier League Players Footballer's Association funding and Tees Valley Community Foundation. The #Iwill project was funded by Virgin Money Foundation and the Primary Stars programme received funding from The Premier League Charitable Fund and local schools for the delivery of Curriculum Physical Education

Sports Participation income was granted by the Premier League Charitable Fund for delivery in a variety of sports via the Premier League 4 Sports Innovation fund and Premier League Girls Football. Tees Valley Community Foundation funded a Walking Football programme, aimed at getting the inactive, active.

Health income was granted by the English Football League Trust for health prevention sessions in primary schools, Middlesbrough Community Learning and Stockton Councils' Public Health department to support programmes to support weight loss and healthy lifestyle education in male adults. Additionally, the Premier League Charitable Fund provided funds to deliver a pilot of a 'fitter families' model, engaging parents and their children together in health education. A programme targeting refugees and asylum seekers to engage in their local community was funded via Middlesbrough Asylum Project.

Social Inclusion income was granted by the Premier League Charitable Fund, the Police and Crime Commissioner for Cleveland Police and North Star Housing for the delivery of 'Premier League Kicks'. Redcar & Cleveland Borough Council and Middlesbrough Council jointly provided funding for the Foundation's Team Talk programme; VInspired and The English Football League Trust supported the delivery of the National Citizen Service; The European Social Fund via Hartlepool Borough Council, The Premier League Charitable Fund and The Northern Inclusion Consortium grants funded adult employability courses and the Premier League Charitable Fund provided a grant to support delivery of inclusive sessions for disabled young people and adults in the local community.

20 RELATED PARTY TRANSACTIONS

During the year Middlesbrough Football Club provided services, staff and facilities to the value of £192,399 (2017: £213,150).

At 31 August 2018 the Foundation was owed £1,561 from Middlesbrough Football Club (2017: £6,183) in respect of services provided. The Foundation owed £28,505 to Middlesbrough Football Club (2017: £31,130) from a loan, which is repayable in more than one year. The Foundation provided £51,461 (2017: £78,632) of sundry services to Middlesbrough Football Club, and was provided with £83,634 (2017: £130,005) of sundry services from Middlesbrough Football Club.

21 ULTIMATE CONTROLLING PARTY

The Trustees control the Foundation by virtue of their appointment to the board.

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Notes to the Accounts for the Year Ended 31 August 2018

22 PENSION COSTS

The Foundation operates a fully insured contributory defined contribution pension scheme for all employees. The charge for the year amounted to £9,976 (2017: £6,345). The amount outstanding at 31 August 2018 was £2,964 (2017: £1,142).

23 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018	2017
	£	£
Net income for year	122,845	126,023
Add back depreciation of tangible fixed assets	45,506	44,994
Decrease in debtors	49,862	2,108
(Decrease)/increase in creditors	(56,851)	38,660
	<hr/>	<hr/>
Net cash flow from operating activities	161,362	211,785
	<hr/> <hr/>	<hr/> <hr/>