



**Anderson
Barrowcliff**

Chartered Accountants
and Business Advisers

**Middlesbrough Football Club Foundation
(Limited by Guarantee)**

Annual Report and Financial Statements
for the Year Ended 31 August 2019



Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Statement of Accounts
for the Year Ended 31 August 2019

	Page
Report of the Trustees	1 - 10
Report of the Independent Auditors	11- 12
Statement of Financial Activities	13
Balance Sheet	14
Statement of Cash Flows	15
Notes to the Accounts	16 - 25

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Trustees Report
for the Year Ended 31 August 2019

The Trustees submit their report and the audited financial statements of Middlesbrough Football Club Foundation ('the Foundation') for the year ended 31 August 2019. 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 8.

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

The year ending August 2019 has been a very successful year for the Foundation. As well as growth in income and diversifying the locations projects are delivered in, the Foundation launched its new strategy in June 2019.

Vision

Inspire Confidence, Inspire Hope

Mission

By utilising the power and influence of the football club badge to deliver bespoke programmes, providing opportunities to raise aspirations and improve life chances of people across our local communities.

Themes of delivery

Sport and Physical Activity
Inclusion and Community Cohesion
Health and Wellbeing
Education and Employability

For the purpose of this report, the Foundation will continue to use the former themes which were in place for the majority of the reporting year.

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Trustees Report
for the Year Ended 31 August 2019

ACHIEVEMENT AND PERFORMANCE continued

Core Values

Quality of Service
Continuous Improvement
Communication
Team Work
Inclusion

The Foundation aims to deliver its themed work across Teesside with specific programmes targeted at working in areas of high deprivation to raise esteem, confidence and aspiration.

Through expansion of delivery of programmes in East Cleveland, an area of high deprivation located in Redcar and Cleveland, the Foundation has engaged more participants than ever before.

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. During the year, The Foundation delivered the following educational programmes in the local community:-

- 1 **Stepping Up** – a programme supporting young people transitioning from primary to secondary school to reduce anxiety of change and provide positive role models in the lives of young people. Funded by the Premier League Charitable Fund/Professional Footballers Association, the English Football League Trust, Middlesbrough Council and Redcar and Cleveland Council.
- 2 **Premier League Enterprise** – a programme delivering business and enterprise education to secondary school aged students, working in mainstream and alternative provision settings. Funded by the Premier League Charitable Fund.
- 3 **Raise Your Game** – a programme engaging young people in real-life business activities. Funded by British Land.
- 4 **Premier League Primary Stars** - a flagship project supporting the Premier League's agenda of delivering sport and education projects to every primary school in the UK. Funded by the Premier League Charitable Fund.
- 5 **Roary's Cubs** – a programme designed to engage 4 – 6 year olds in physical education in a school setting. Funded by the Premier League Charitable Fund.
- 6 **Roary's Class Acts** - aims to improve attendance in primary schools across the Tees Valley. The project uses the MFC brand and 'Roary the Lion' (Club mascot) to encourage young people to improve their attendance and punctuality at school, with the strapline - 'every school day matters'. Funded by the Premier League Charitable Fund and Tees Valley Community Foundation.
- 7 **#IWill** – a programme aimed at engaging 800 young people in Volunteering, Campaigning and Fundraising over a year long period, delivered in both primary and secondary schools. Funded by the Virgin Money Foundation.
- 8 **Traineeships** – a programme engaging unemployed adults, providing work placements, literacy and numeracy and employability education in order to make them 'work ready'. Funded by the English Football League Trust.

Education – Impact

- 500 young people were supported in their transition from primary to secondary school
- 806 young people engaged in volunteering, campaigning and fundraising
- 320 days of mentoring offered in 5 secondary schools
- 99% of young people reported an improvement in leadership skills in PL Enterprise

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Trustees Report
for the Year Ended 31 August 2019

ACHIEVEMENT AND PERFORMANCE continued

- 4,318 children newly enrolled on Roary's Class Acts
- 100% of young people raising their aspirations on Raise Your Game
- 20 unemployed adults completing a 12 week Traineeship. 65% positively progressing into further education or employment
- Over 3,000 young people engaged in regular physical activity through PL Stars

Sports Participation

The Foundation aims to provide sport and physical activity opportunities for young people and adults through delivery in schools and community venues. During the year, The Foundation provided the following activities:

- 1 **Premier League Girls** – a programme aimed to encourage more girls to play football across Teesside. Funded by the Premier League Charitable Fund.
- 2 **Premier League 4 Sports 'Transition' funding** – funding to support the transition from a previously-funded multi-sports hub model, to embedding multi-sport across a number of other Foundation projects. Funded by the Premier League Charitable Fund.

Sports Participation – Impact

- 41 participants from PL Girls transitioned into local teams or county level football
- 801 girls football sessions were held over the academic year
- 33% increase in players attending Foundation holiday courses, year-on-year
- 12 different sports delivered across Foundation projects, including badminton, netball, tag rugby and table tennis.

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 **Football Fans in Training-** a programme aimed at engaging men and women, with a waist size of 38 inches plus, in regular physical activity at the Riverside Stadium, with the aim of losing and sustaining weight loss. Funded by Middlesbrough Community Learning.
- 2 **Sport Move and Learn** – a six week programme engaging 9 – 11 year olds in physical activity and healthy education. Funded by the English Football League Trust.
- 3 **Fitter Families** – a 10 week, schools based programme, engaging young people and their parents in healthy lifestyles education. Funded by the Premier League Charitable Fund.
- 4 **Walking Football** – a programme aimed at decreasing the numbers of 'inactive' males across Teesside, through engagement in weekly walking football sessions. Funded by Tees Valley Community Foundation.
- 5 **'Park Player'** – a three month pilot programme, providing informal football sessions in local parks in areas of deprivation in Middlesbrough, with an aim of improving community cohesion and reducing physical inactivity. Funded by Premier League Charitable Fund and Sport England.
- 6 **Man vs Fat** – a programme targeted at overweight males, delivering football in both an informal and formal setting, with an aim of reducing weight. Funded by Man vs Fat.

Health – Impact

- 484 kg, equivalent to 76 stone, was the combined group weight loss, on the Man vs Fat programme.
- 40 women from a minority ethnic background engaged in 'Football Fans in Training'

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Trustees Report
for the Year Ended 31 August 2019

ACHIEVEMENT AND PERFORMANCE continued

- 690 hours of school delivery in Move and Learn
- 75% of parents on Fitter Families reported an improved relationship with the school
- 1,808 pupils across Key Stage 2 were engaged in the Move and Learn project
- 50 participants engaged in 'park football' over a 3 month period

Social Inclusion

The theme of Social Inclusion seeks to use the power of football to unite and empower communities. Inspiring and enhancing skills of young people and adults, particularly those within socially deprived wards. During the year, the Foundation delivered the following programmes under the Social Inclusion theme:

- 1 **Premier League Kicks** - delivering within the most deprived communities, Kicks provides diversionary activities on an evening to reduce crime and anti-social behaviour. Funded by the Premier League Charitable Fund, Cleveland Police and Crime Commissioner and North Star Housing.
- 2 **National Citizen Service (NCS)** - a flagship Government programme for young people aged 15 – 17, NCS offers a four week summer programme to improve confidence, provide new opportunities, and gain new skills and experiences. Funded by VInspired and The English Football league Trust.
- 3 **Premier League Inclusion** - 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. Funded by the Premier League Charitable Fund and North Riding County Football Association.
- 4 **Club Together** - a programme which engages with refugees and asylum seekers to encourage community integration in their local community. Funded by Methodist Asylum Project.
- 5 **Building Better Opportunities** - a programme 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. Funded by the Northern Inclusion Consortium and Step Forward Tees Valley.
- 6 **Premier League Works** - a programme 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. Funded by the Premier League Charitable Fund.
- 7 **Social Mix** - a 16 week programme, including a 4 day residential, aimed at 'mixing' young people from diverse backgrounds to improve community cohesion, equality and education. Funded by the English Football League Trust.
- 8 **Building Stronger Britain Together (BSBT)** - a new programme delivered this year, BSBT aims to improve community cohesion across some of the most deprived areas of Teesside. Through education, and physical activity sessions, local people come together to break down barriers. Funded by the Home Office.

Social Inclusion – Impact

- 2,000 young people engaged on PL Kicks
- 84% of young people on PL Kicks feel that they can communicate better with people from different ages and backgrounds
- Over 600 people with disabilities were engaged in Foundation activities this year
- Over 100 young people were engaged in NCS
- Over 60 men attended Club Together during the year from approximately 25 countries, including Sudan, Eritrea, Iraq and Yemen
- £350 was raised by Amnesty International employees to buy equipment and kit for the Club Together participants

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Trustees Report
for the Year Ended 31 August 2019

ACHIEVEMENT AND PERFORMANCE continued

- Over 1,000 hours of work experience delivered on PL Works and Traineeships 1,500 individuals taking part in BSBT activities during the year.

The Royal Foundation – Coach Core

Since 2017, the Foundation has been 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. During the year the programme has progressed to engage more apprentices and deliver more outcomes and the Foundation looks forward to continuing delivery of the programme in coming years.

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. All of these facilities are available for hire by the general public, but are also used by the Foundation for delivery of its programmes.

The Herlingshaw Centre is utilised by a variety of Foundation projects including: PL Stars, Club Together, PL Works, PL Kicks, Stepping Up and Football Fans in Training.

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 is pleased with its overall performance.

In total, across all projects, the Foundation engaged with over 30,000 young people and adults in the community of Teesside.

Other Fundraising Activities and Events

This year the Foundation increased the net income generated via fundraising and events. This was due to increased and more wide-ranging activities being delivered, including community fundraising, corporate fundraising, donations and sponsorship. The annual dinner, held in February 2019, raised over £19,000 for the Foundation and events including the annual golf day and ladies day generated further unrestricted income.

The Foundation has continued partnerships with local organisations which provide donations and partnership funding to the Foundation, including Wynyard Park, Newcastle International Airport, the Cleveland Centre, Emmerson Marketing and Rockliffe Hall. Additionally, Punch Robson Solicitors provided the Foundation with a donation of £11,000 in 2019.

In 2018 – 2019 the Foundation officially took over the running of the Match Day Lottery from Middlesbrough Football Club, resulting in further funds being raised by the charity. The 'Friends of the Foundation' scheme continues to grow with six new businesses signing up this year.

Additionally, in November 2018, MFC Foundation launched its first ever children's book, 'The Bridge that George Built', written by author Rachael Wong. The book, kindly funded by Rachael, sold all 1,000 copies resulting in a £4,000 donation to the Foundation. A second book will be released next year.

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Trustees Report
for the Year Ended 31 August 2019

ACHIEVEMENT AND PERFORMANCE continued

The Foundation is fully committed to using appropriate techniques to raise funds for the Charity. A professional fundraiser is employed to carry out fundraising activities. This employee is monitored through monthly meetings with a member of the senior management team and a Fundraising Committee, on which three Board members and the Head of Foundation participate. The Foundation has no interest in approaching individuals directly for donations via 'door-knocking' or any other unreasonable, persistent approaches to solicit donations. The Foundation is committed to following all Charities' Commission guidance for fundraising activities as referenced in the Charities Act 2011. The Foundation will also consider becoming a member of a regulating body for fundraising.

East Cleveland Project

In 2019 MFC Foundation received a significant donation to roll out activities in the area of 'East Cleveland', a highly deprived, isolated area of Redcar and Cleveland. The project commenced in July 2019, with plans being developed early in the year, staff recruited to work in the area and an office location identified. The exciting new project launched on 1st September 2019 with programmes focusing on improving health and wellbeing, physical activity and social isolation in the area. The Foundation is extremely grateful for the donation and the Trustees and staff are confident that the delivery can raise aspirations and change lives.

FINANCIAL REVIEW

The year end results show a net income of £540,584 (2018 £122,845). It is important to stress that, due to the geographical restriction placed on the East Cleveland donation, it is a restricted fund. However, as there is no time limitation for the expenditure, all of the funds received in the year are required to be shown within the net surplus. These funds are restricted for a particular purpose and therefore do not add to the unrestricted reserves of the Foundation. A total of £435,309 of the total net income is ring-fenced for the East Cleveland project delivery.

The Trustees are very pleased with the overall performance of the Foundation this year. The value of funds generated through unrestricted funding is particularly pleasing 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 English Football League Trust, The Football Foundation, Tees Valley Community Foundation, private donations and local educational establishments. The expenditure incurred in delivering these programmes is predominantly incurred 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 £555,000.

The balance held as unrestricted funds at 31 August 2019 was £649,405 (2018 £544,130) of which £462,477 (2018 £327,696) 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 target.

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Trustees Report
for the Year Ended 31 August 2019

ACHIEVEMENT AND PERFORMANCE continued

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

PLANS FOR FUTURE PERIOD

During the year ending 31 August 2020, the Foundation will continue to progress plans to regenerate and refurbish the Herlingshaw Centre, with opportunities to increase the footprint of the centre and create a 'state of the art' sport and education facility in South Bank, Redcar and Cleveland.

Due to the significant donation received to deliver activities in East Cleveland, the Foundation has opened a new satellite office in East Cleveland and rolled-out successful Foundation programmes in the area, with an aim of improving life chances and raising aspirations. As the project develops, the Foundation will strive to engage thousands of people from the East Cleveland community, providing opportunities for individuals of all ages to engage.

The Foundation will continue to progress the Royal Foundation's Coach Core programme, after a successful second 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.

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

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Trustees Report
for the Year Ended 31 August 2019

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 (resigned 30 November 2019) J Baker N J Bausor J R Bloom Fr A Gaunt (appointed 1 May 2019) K Gibson (appointed 1 May 2019) J Fryett J Khan G J Redman P Rowley OBE C S Smith (resigned 30 November 2019)
-----------	--

Secretary:	N Jackson
------------	-----------

Patrons:	S Gibson S McGovern J Stelling
----------	--------------------------------------

Key Management Personnel Head of Foundation	H Bowman
--	----------

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. There are four Trustee-led Committees, of which the Head of Foundation also participates. These are: Finance Committee, Fundraising and Events Committee, Audit Risk and Governance Committee and East Cleveland Committee. Members of the Senior Management Team also sit on the Committees where appropriate. Key decisions continue to be 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.

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Trustees Report
for the Year Ended 31 August 2019

Remuneration Policy for Senior Staff

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 Trustees give of their time freely and no Trustee received remuneration in the year. Details of Trustee's 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 which the Foundation performs. A reorganisation of the structure of the Foundation has taken place following confirmation from the Premier League Charitable Trust and English Football League Trust that the Foundation's 'Capability Code of Conduct' has been approved. The Foundation has a full Risk Management policy and the major risks are reviewed formally 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 Trustees are grateful for the administration services and use of facilities donated by Middlesbrough Football Club. The value of these services in the year totalled £230,940 (2018: £192,399).

RESPONSIBILITIES OF MEMBERS OF THE BOARD OF TRUSTEES

The Trustees 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.

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Trustees Report
for the Year Ended 31 August 2019

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 address 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.

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 Board of Trustees.

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: 3 February 2020

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 2019 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 2019 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
Bowesfield Park
Stockton on Tees
TS18 3EX

Date: 6/2/2020

Middlesbrough Football Club Foundation
A Company Limited by Guarantee

Statement of Financial Activities
(including income and expenditure account)
for the Year Ended 31 August 2019

		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	Note	£	£	2019 £	2018 £
Income					
Donations and legacies	2	247,114	475,000	722,114	224,089
Income from charitable activities	3	492,866	994,613	1,487,479	1,556,256
Other trading activities	4	184,167	-	184,167	150,835
Total income		<u>924,147</u>	<u>1,469,613</u>	<u>2,393,760</u>	<u>1,931,180</u>
Expenditure					
Costs of raising funds	5	90,742	-	90,742	56,608
Charitable activities	6	725,903	1,036,531	1,762,434	1,751,727
Total Expenditure		<u>816,645</u>	<u>1,036,531</u>	<u>1,853,176</u>	<u>1,808,335</u>
Net income		107,502	433,082	540,584	122,845
Transfers between funds	19	(2,227)	2,227	-	-
Net movement in funds		105,275	435,309	540,584	122,845
Reconciliation of Funds					
Funds brought forward at 1 September 2018		544,130	5,885	550,015	427,170
Total funds carried forward at 31 August 2019	17	<u><u>649,405</u></u>	<u><u>441,194</u></u>	<u><u>1,090,599</u></u>	<u><u>550,015</u></u>

The notes on pages 16 to 25 form an integral part of these financial statements

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Balance Sheet As At 31 August 2019

	Note	2019 £	2018 £
Fixed Assets			
Tangible assets	12	280,815	320,764
Current Assets			
Debtors	13	168,528	39,328
Cash at bank & in hand		1,287,198	564,322
		<u>1,455,726</u>	<u>603,650</u>
Creditors: Amounts falling due within one year	14	<u>(441,603)</u>	<u>(176,539)</u>
Net Current Assets		<u>1,014,123</u>	<u>427,111</u>
Total Assets Less Current Liabilities		<u>1,294,938</u>	<u>747,875</u>
Creditors: Amounts falling due after more than one year	15	<u>(204,339)</u>	<u>(197,860)</u>
Net Assets	16	<u><u>1,090,599</u></u>	<u><u>550,015</u></u>
Funds			
Restricted funds	17	441,194	5,885
Unrestricted funds	17	649,405	544,130
Total Funds	16	<u><u>1,090,599</u></u>	<u><u>550,015</u></u>

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 3 February 2020 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 2019

		<u>2019</u>	<u>2018</u>
	<u>Note</u>	£	£
Cash from operating activities	23	<u>722,876</u>	<u>161,362</u>
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		<u>722,876</u>	<u>131,362</u>
Cash and cash equivalents at the beginning of the year		<u>564,322</u>	<u>432,960</u>
Cash and cash equivalents at the end of the year		<u><u>1,287,198</u></u>	<u><u>564,322</u></u>

The notes on pages 16 to 25 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 2019

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 7. 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 8. 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 2019

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 2019

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 £	2019 £	2018 £
Middlesbrough Football Club	-	-	-	25,000
Middlesbrough Football Club Gifts in kind	230,940	-	230,940	192,399
Donations	16,174	475,000	491,174	6,690
	<u>247,114</u>	<u>475,000</u>	<u>722,114</u>	<u>224,089</u>

The £230,940 gift in kind costs (2018: £192,399) 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.

The restricted donation has been requested to be spent in East Cleveland.

Income from donations and legacies for 2018 was £224,089, 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 2019

3 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted £	Restricted £	2019 £	2018 £
Education	80,895	476,593	557,488	609,415
Sports participation	317,606	68,143	385,749	344,823
Health	2,850	101,722	104,572	73,499
Social inclusion	91,515	348,155	439,670	528,519
	<u>492,866</u>	<u>994,613</u>	<u>1,487,479</u>	<u>1,556,256</u>

Income from charitable activities for 2018 was £1,556,256 of which £1,014,193 was attributable to restricted and £542,063 was attributable to unrestricted.

4 INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted £	Restricted £	2019 £	2018 £
<i>Fundraising activities:</i>				
Fundraising	156,338	-	156,338	123,598
Sundry income	27,829	-	27,829	27,237
	<u>184,167</u>	<u>-</u>	<u>184,167</u>	<u>150,835</u>

Income from other trading activities for 2018 was £150,835 all of which was attributable to unrestricted.

5 COSTS OF RAISING FUNDS

	Unrestricted £	Restricted £	2019 £	2018 £
<i>Fundraising activities:</i>				
Staff costs	42,850	-	42,850	30,196
Equipment and consumables	15,475	-	15,475	6,083
Promotions & Events	25,523	-	25,523	14,335
Travel and tours	5,502	-	5,502	5,577
Other costs	1,392	-	1,392	417
	<u>90,742</u>	<u>-</u>	<u>90,742</u>	<u>56,608</u>

Costs of raising funds for 2018 was £56,608, 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 2019

6 EXPENDITURE ON CHARITABLE ACTIVITIES

	Education £	Sports Participation £	Health £	Social Inclusion £	Total 2019 £	Total 2018 £
Staff Costs	320,065	174,475	58,401	256,107	809,048	817,545
Equipment & Consumables	36,842	3,345	8,280	34,492	82,959	78,460
Travel & Tours	19,161	7,293	5,736	21,691	53,881	58,334
Depreciation	5,004	30,222	1,068	3,655	39,949	45,506
General Office Costs	-	386	2,259	1,523	4,168	481
Premises Costs	19,976	75,727	15,265	49,363	160,331	151,474
Training	20,947	400	2,228	15,891	39,466	39,009
Events	21,149	12,943	3,606	21,352	59,050	62,720
Other Costs	14,512	12,946	5,140	16,816	49,414	85,024
3G Pitches Sinking Fund	-	36,000	-	-	36,000	36,000
Support costs (see below)	177,655	25,401	37,918	129,780	370,754	331,252
Governance costs (note 7)	27,511	3,933	5,872	20,098	57,414	45,922
	662,822	383,071	145,773	570,768	1,762,434	1,751,727

Support Costs

	Education £	Sports Participation £	Health £	Social Inclusion £	Total 2019 £	Total 2018 £
Staff Costs	53,329	7,626	11,382	38,957	111,294	104,584
General office costs	17,083	2,443	3,646	12,479	35,651	33,648
Equipment & Consumables	19,699	2,815	4,205	14,392	41,111	29,899
Travel & Tours	-	-	-	-	-	1,125
Other Costs	3,320	475	709	2,425	6,929	-
Events	26,842	3,838	5,729	19,608	56,017	46,588
Premises costs	57,382	8,204	12,247	41,919	119,752	115,408
	177,655	25,401	37,918	129,780	370,754	331,252

Expenditure on charitable activities was £1,762,434 (2018: £1,751,727) of which £1,036,531 (2018: £1,018,736) was attributable to restricted and £725,903 (2018: £732,991) was attributable to unrestricted.

7 GOVERNANCE COSTS

	2019 £	2018 £
Staff costs	43,450	32,734
Trustees Insurance	1,254	1,305
Bank Charges	2,875	1,163
Legal fees	1,835	1,520
Audit & accountancy fees	8,000	9,200
	57,414	45,922

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Notes to the Accounts for the Year Ended 31 August 2019

8 NET INCOME FOR THE YEAR

This is stated after charging:-

	2019	2018
	£	£
Depreciation	39,949	45,506
Auditors remuneration – for audit	8,000	6,300
Operating lease rentals – equipment	4,832	5,952
	<u>4,832</u>	<u>5,952</u>

9 STAFF COSTS

	2019	2018
	£	£
Wages & salaries	921,825	905,816
Social Security costs	54,231	52,661
Pension costs	17,626	9,976
	<u>993,682</u>	<u>968,453</u>

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

The average monthly head count for the year was 62 (2018: 62).

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 (2018: £nil)

One Trustee had expenses in the year amounting to £617 (2018: £496) for travel and subsistence.

The total amount of employee benefits received by key management personnel is £57,517 (2018: £54,857). The Foundation considers its key management personnel comprise the Chief Executive/Head of Foundation. There is 1 (2018 - 1) 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 2019

12 TANGIBLE FIXED ASSETS

	Land and Buildings £	Fixtures and Fittings £	Computer Equipment £	Total £
Cost				
At 1 September 2018	668,176	123,673	36,130	827,979
Additions	-	-	-	-
Disposals	-	(93,674)	(29,759)	(123,433)
At 31 August 2019	<u>668,176</u>	<u>29,999</u>	<u>6,371</u>	<u>704,546</u>
Depreciation				
At 1 September 2018	377,052	95,626	34,537	507,215
Provided during year	33,407	4,949	1,593	39,949
Disposals	-	(93,674)	(29,759)	(123,433)
At 31 August 2019	<u>410,459</u>	<u>6,901</u>	<u>6,371</u>	<u>423,731</u>
Net Book Value				
At 31 August 2019	<u><u>257,717</u></u>	<u><u>23,098</u></u>	<u><u>-</u></u>	<u><u>280,815</u></u>
At 31 August 2018	<u>291,124</u>	<u>28,047</u>	<u>1,593</u>	<u>320,764</u>

All tangible fixed assets were used for charitable purposes.

13 DEBTORS

	2019 £	2018 £
Trade debtors	46,252	14,015
Prepayments and accrued income	107,685	25,148
Other debtors	14,591	165
	<u>168,528</u>	<u>39,328</u>

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	78,405	31,783
Other taxes & social security costs	20,500	25,068
Accruals	21,346	32,089
Other creditors	8,177	38,532
Deferred income	313,175	49,067
	<u>441,603</u>	<u>176,539</u>

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Notes to the Accounts for the Year Ended 31 August 2019

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019 £	2018 £
Amounts owed to Middlesbrough Football Club	20,895	28,505
Deferred income	83,444	93,887
Other creditors	100,000	75,468
	<u>204,339</u>	<u>197,860</u>

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 2019 are represented by:-

	Unrestricted £	Restricted £	2019 £	2018 £
Tangible fixed assets	186,928	93,887	280,815	320,764
Current assets	711,800	743,926	1,455,726	603,650
Creditors falling due within one year	(128,428)	(313,175)	(441,603)	(176,539)
Creditors falling due after one year	(120,895)	(83,444)	(204,339)	(197,860)
	<u>649,405</u>	<u>441,194</u>	<u>1,090,599</u>	<u>550,015</u>

17 ANALYSIS OF MOVEMENT IN FUNDS

	Unrestricted £	Restricted £	2019 £	2018 £
At 1 September 2018	544,130	5,885	550,015	427,170
Incoming resources	924,147	1,469,613	2,393,760	1,931,180
Outgoing resources	(816,645)	(1,036,531)	(1,853,176)	(1,808,335)
Gross transfers between funds	(2,227)	2,227	-	-
At 31 August 2019	<u>649,405</u>	<u>441,194</u>	<u>1,090,599</u>	<u>550,015</u>

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 2019

19 RESTRICTED FUNDS FROM CHARITABLE ACTIVITIES

	Education	Sports Participation	Health	Social Inclusion	Total
	£	£	£	£	£
Balance at 1 September 2018	5,885	-	-	-	5,885
Received in year	476,593	68,142	101,722	348,156	994,613
Expended in year	(479,661)	(58,411)	(101,190)	(357,578)	(996,840)
Gross transfers between funds	3,068	(9,731)	(532)	9,422	2,227
	<u>5,885</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,885</u>
Balance at 31 August 2019	<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.

RESTRICTED FUNDS FROM DONATIONS

	2019 £	2018 £
Received in year	475,000	-
Expended in year	(39,691)	-
	<u>435,309</u>	<u>-</u>
Balance at 31 August 2019	<u>435,309</u>	<u>-</u>

During the year a donation was received with a specific request that the funds should be spent as an ongoing project for the benefit of the population in East Cleveland.

Middlesbrough Football Club Foundation
(A Company Limited by Guarantee)

Notes to the Accounts for the Year Ended 31 August 2019

20 RELATED PARTY TRANSACTIONS

During the year Middlesbrough Football Club provided services, staff and facilities to the value of £230,940 (2018: £192,399).

At 31 August 2019 the Foundation owed £19,473 to Middlesbrough Football Club (2018: £1,561 was owed from Middlesbrough Football Club, in respect of services provided). The Foundation owed £20,895 to Middlesbrough Football Club (2018: £28,505) from a loan, which is repayable in more than one year. The Foundation provided £36,900 (2018: £51,461) of sundry services to Middlesbrough Football Club, and was provided with £110,985 (2018: £83,634) of sundry services from Middlesbrough Football Club.

21 ULTIMATE CONTROLLING PARTY

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

22 PENSION COSTS

The Foundation operates a fully insured contributory defined contribution pension scheme for all employees. The charge for the year amounted to £17,626 (2018: £9,976). The amount outstanding at 31 August 2019 was £4,578 (2018: £2,964).

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

	2019 £	2018 £
Net income for year	540,584	122,845
Add back depreciation of tangible fixed assets	39,949	45,506
(Increase)/decrease in debtors	(129,200)	49,862
Increase/(decrease) in creditors	271,543	(56,851)
	<hr/>	<hr/>
Net cash flow from operating activities	<u>722,876</u>	<u>161,362</u>

