

Saints Foundation (SFC)

(A company limited by guarantee)

Annual Report and Financial Statements

Year Ended

30 June 2021

Company Number: 04312794

Charity Number: 1090916

Saints Foundation (SFC)

Report and financial statements
for the year ended 30 June 2021

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Trustees

M Abrahams
P Bolwell
T Croucher
R Jackson
T Shaw

Registered numbers

Company: 04312794
Charity: 1090916

Registered office

St Mary's Stadium
Britannia Road
Southampton
SO14 5FP

Auditor

BDO LLP
Arcadia House
Maritime Walk
Ocean Village
Southampton
SO14 3TL

Saints Foundation (SFC)

Report of the trustees for the year ended 30 June 2021

The Trustees (who are directors for the purpose of company law) are responsible for preparing the Annual Report and financial statements in accordance with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019, 2nd edition).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The company, which is a registered charity, is limited by guarantee and does not have a share capital. The liability of each member under guarantee does not exceed the sum of £1. It is governed by a Memorandum and Articles of Association.

Recruitment of trustees

The Board of Trustees is responsible for appointing trustees who have to be nominated and elected at a Board meeting.

Trustee induction and training

The trustees have in place procedures for the induction and training of trustees when required.

Organisational structure

The trustees decide the long term strategy for the charitable company; they set the budgets, review performance on a monthly basis utilising the resources of a Charity Management Accountant, supported by the Southampton Football Club Finance Department, instigating change when required. The trustees have appointed a Head of the Charity, who runs the operations of the charitable company on behalf of the trustees. The Head of the Charity is assisted by a team of staff dedicated to running the day to day operations of Saints Foundation. The trustees take advice and consider similar organisations when deciding the level of senior management pay.

Risk management

The trustees actively review the major risks which the charitable company faces on a regular basis. The charitable company has developed systems to monitor and control these risks and to manage any impact they may have on the charitable company's future.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- A strategic plan and an annual budget approved by the trustees;
- Monthly management accounts which show variance from budget and re-forecast anticipated results for the year, which are reviewed by the trustees;
- Delegation of authority and segregation of duties; and
- The loss of funding, non-performance against targets and fraud.

Saints Foundation (SFC)

Report of the trustees for the year ended 30 June 2021 (*continued*)

OBJECTIVES AND ACTIVITIES FOR PUBLIC BENEFIT

The Trustees confirm that they have given careful consideration to the Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives for the year. The Trustees judge that all charitable activity made meets this guidance.

The charitable company is established for the promotion of community participation in healthy recreation for the benefit of children in full time education and disadvantaged adults residing in the county of Hampshire and other neighbouring areas by the provision of facilities and opportunities for the playing of and learning through football.

The charity delivers its purpose in two ways, namely:

- Community: We engage people of all ages and abilities in and around Southampton, focusing on those that need our support the most.
- Coaching: We deliver high quality coaching and PE, inspiring a passion for sport from a young age.

ACHIEVEMENTS AND PERFORMANCE

2020/21 was another successful year for Saints Foundation, despite the obvious and ongoing effects and related challenges of the Covid-19 pandemic. Most importantly, our dedicated staff team continued to engage and inspire thousands of people across our city, focusing on those that need our support the most. This included weekly sessions in 16 primary schools across Southampton, to consistent support offered to more than 300 isolated older adults, and many, many things in between.

As per many charities, the year was largely concerned with sustaining our existing model of delivery and continuing to support the many participants who already relied on us, rather than growing and developing as would typically be our ambition. We are therefore very proud that the vast majority of projects continued to deliver in line with both our own, and our funders' expectations – some restarting after being suspended due to the pandemic – and that no staff members were made redundant, or otherwise left the charity, except of their own accord.

That said, we did launch two new projects, both supported by external grants, during the year, namely Chances: a project that sees us partner with Southampton City Council and various other local agencies to support young people, aged 10-17, deemed to be most at risk of offending in the future and Saints Goal: a 12-week programme supporting adult males to make sustainable changes to their lifestyle helping them lose weight, become more active and adopt a healthier diet.

In all, across the year, we engaged more than 10,000 individuals of all ages and abilities across a variety of projects and settings, including in schools, parks and community centres. As per previous years, this figure includes those supported through our various charitable programmes (loosely 4,000), as well as those engaged by our coaching team (loosely 6,000), through activities such as Soccer Schools, Coaching Centres and After School Clubs.

Traditional fundraising proved tough, with it deemed impossible to run our annual Charity Dinner - which is by far our highest yielding event in our calendar and which was originally planned for spring 2021 - as well as various other events. Instead, we adopted an innovative approach, including running 'All In This Together', an online fundraising event which featured many personalities associated with Southampton FC. As well as raising significant funds, this event helped to engage a new audience, and is something we are considering running again in the future. In addition, targeted, issue specific online campaigns proved very successful.

Lastly, whilst clearly presenting a huge challenge, the year also offered us a number of unique opportunities. For example, we have evidence that sentiment and awareness amongst the local community has increased markedly, whilst we also won a number of awards for our response during the pandemic, including 'Best Covid-19 response by a Club' at the Sports Business Awards 2020.

All in all, a very tough and challenging year, but one that we feel that we have navigated extremely well, and which leaves us in a very positive position from which to grow and develop in the future.

Saints Foundation (SFC)

Report of the trustees for the year ended 30 June 2021 (*continued*)

KEY PARTNERSHIPS

The charity's ongoing success is based on strong partnerships with a variety of local and national stakeholders. We receive funding and associated support from a number of different sources, including from Southampton FC, Premier League Charitable Fund, National Lottery Community Fund, Children in Need, Southern Universities Network, Southampton City Council, Police and Crime Commissioner's Office and Clinical Commissioning Group, as well as an array of local community groups, individuals and businesses. Additionally, most of our projects are delivered in partnership with other charities and organisations, including schools, various local authority partners, local community groups, all of whom are integral to the success of our delivery model, and, most importantly, ultimately help improve the outcomes for the young people and adults with whom we work.

FINANCIAL REVIEW

During the year ended 30 June 2021, the charity received income amounting to £2,316,279 (2020 - £2,741,227). Resources were expended of £2,389,490 (2020 - £2,564,633). The deficit for the year of £73,211 (2020 – surplus of £176,594) has resulted in cash outflow in the year of £34,591 due to working capital movements (2020 - cash inflow of £475,365) and a surplus in unrestricted funds of £778,964 (2020 – £852,175). The year-end cash position stood at £1,573,830 (2020 - £1,608,421).

GOING CONCERN

Whilst the 2020/21 financial year has certainly been easier to navigate than 2019/2020, it is still not been without its challenges and the effects of the pandemic are still being felt in a variety of ways. That said, largely, projects have recommenced their normal operations, participants are engaging in numbers, whilst fundraising events and initiatives are returning to near normality.

The trustees have prepared an indicative budget to June 2023, which is deemed to be entirely realistic and achievable. This shows the charity continuing to not only operate as currently, but to develop and grow whilst making a small year-end surplus in both the 2021/22 and 2022/23 financial years. Stress-testing has also been performed against this budget to demonstrate the ability of the charity to meet its obligations as they fall due, even with unexpected reductions in income streams, including both grant funding and fundraising.

In addition, the charity continues to benefit from the donation in kind of office space and certain support functions from Southampton Football Club and consequently has a low base of administrative costs that are not directly related to particular charitable activities. As a result, the cash position has been largely maintained and stands at £1,802,837 as at 31 December 2021.

Accordingly, the Trustees are of the view that the charity has sufficient liquidity to continue to operate for the foreseeable future and therefore consider it appropriate to continue to prepare the financial statements on the going concern basis. We are fully confident that Saints Foundation is a viable going concern for the upcoming year, and indeed long into the future. We have worked hard over the past few years to grow our reserve pot, and as such, despite a loss in 2020/21, we remain in a very strong financial position.

This means that trustees do not feel that any remedial action is currently necessary. However, we appreciate that during such a challenging time that we should consider a number of options, which could be invoked if deemed necessary, including:

- Reductions in areas such as casual staff costs, staff training and CDP.
- Ask Southampton Football Club to consider co-funding 50% of Head of Saints Foundation role.
- Redeployment of staff from affected projects to reduce casual costs in other areas.
- Work with corporate and third party fundraising partners to bring forward activities that have been planned.

Saints Foundation (SFC)

Report of the trustees for the year ended 30 June 2021 (*continued*)

FUNDRAISING

Saints Foundation are signed up to the Fundraising Regulator's voluntary registration scheme and consider themselves fully compliant with the guidelines as set out. All fundraising activities and initiatives are delivered directly by staff of the charity, with no professional fundraisers or commercial participators involved. Any new initiatives are signed off through the Head of the Charity and trustee board before commencing, and success is measured through explicit KPIs as set out in our fundraising strategy (2017-2021).

During the financial year, no associated complaints were received, and due to our main method of fundraising being through the running of events, a local business patrons' club and the sale of items on our eBay site, we are confident that no one will have felt under any undue pressure to support us.

RESERVES POLICY

In accordance with Charity Commission guidelines the trustees consider that the charity should hold reserves to meet approximately 3 months expenditure. The total reserves of the company as at 30 June 2021 amount to £778,964 of which £14,679 is held in fixed assets. The Trustees consider that the free reserves sufficiently cover approximately 3 months' expenditure.

PLANS FOR FUTURE

As communicated in our 2019/20 accounts, planning for the future amidst a global pandemic is incredibly tough – however, whatever is thrown in our way, we remain committed to doing our best to support people in need in and around Southampton in whatever way we can. We will do that not only through making sure that our projects remain safe and relevant, but also by continuing to grow and diversify our income streams to ensure that we are sustainable long into the future.

One major change is that our 'Coaching Programme', which offers activities for young people such as Soccer Schools, Coaching Centres and After School Clubs migrated to Southampton Football Club from 1st July 2021. This also included all 11 related members of staff being transferred via the TUPE system. Whilst presenting a (manageable) challenge financially due to this area of operations consistently making a year-end surplus, this is a positive for us as it will allow us to focus all of our attention on developing and delivering our charitable programmes, whilst also making our purpose much simpler and easier to understand.

As well as maintaining and stabilising our portfolio of existing projects, the year will also see us launch another new programme. 'Active Through Football', which kicked off in January 2022, will support adults living within inner city Southampton to increase their activity levels, encouraging sustainable behaviour change. In addition, we are looking to develop a mental health offer, with a view to commencing a bespoke project that complements our existing programmes, as well as those of other partners in the city, sometime in late 2022.

The 2021/22 financial year also sees us celebrate the charity's 20th anniversary. This will be marked in a number of ways, including through a year long campaign, which will highlight the life-changing support that we have offered some of our many participants over the last two decades. We will also develop a number of new fundraising events and initiatives, which we hope will provide a blueprint for success in future years.

Lastly, much of the year will be spent preparing for the launch of a new strategy, which will cover the period 2022-2025. This process will involve a comprehensive consultation with key stakeholders across the city, as well as the local community itself, with a view to launching the strategy publicly in September 2022.

Saints Foundation (SFC)

Report of the trustees for the year ended 30 June 2021 (*continued*)

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law and charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law and charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions; and disclose with reasonable accuracy at any time the financial position of the charity, and to enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TRUSTEES

The Trustees who are directors for the purpose of Company Law who served during the year and up to the date of the report are set out on page 1.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- That Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

In approving the Trustees' Report, the Trustees are also approving the Directors' Report in their capacity as company directors.

BDO LLP has expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the Annual General Meeting.

In preparing this Report of the Trustees advantage has been taken of the small companies' exemption.

Approved by the Board of Directors and signed on behalf of the Board by:

Mark Abrahams



Trustee

Date

02/02/2022

Saints Foundation (SFC)

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF SAINTS FOUNDATION (SFC)

Opinion

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 30 June 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Saints Foundation (SFC) ("the Charitable Company") for the year ended 30 June 2021, which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Independence

We are independent of the Charitable Company in accordance with the ethical requirements 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.

Conclusions related to going concern

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

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

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

Saints Foundation (SFC)

Independent auditor's report (*continued*)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report and the financial statements and our auditor's report thereon. The Other information comprises the report of the trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

- The information given in the Report of the Trustees, which includes the Directors' Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which is included in the Report of the Trustees, has been prepared in accordance with applicable legal requirements.
-

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.

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

- adequate accounting records have not been kept by the Charitable Company, 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 Directors' 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Statement of responsibilities of trustees, 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 determines 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.

Saints Foundation (SFC)

Independent auditor's report (*continued*)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. We considered those laws and regulations that have a direct impact on the financial statements, such as the Companies Act 2006, Charities Act 2011 and tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

Procedures performed by the audit team included:

- Discussions with management and those charged with governance regarding consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Obtaining an understanding of controls designed to prevent and detect irregularities, including specific consideration of controls and accounting policies relating to significant accounting estimates;
- Reviewing minutes from relevant meetings for evidence of any fraud or non-compliance with laws and regulations;
- Communicating relevant laws and regulations and potential fraud risks to all engagement team members and remaining alert to any indications of fraud or non-compliance with laws and regulations throughout the audit; and
- Assessing journal entries as part of our planned audit approach, with a particular focus on journals entries to key financial statement areas.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.


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

Saints Foundation (SFC)

Independent auditor's report (*continued*)

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.

DocuSigned by:

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David I'Anson (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Southampton, United Kingdom

Date 08 February 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Saints Foundation (SFC)

Statement of financial activities (incorporating the income and expenditure account) for the year ended 30 June 2021

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Income from:					
Donations and legacies	3	680,807	-	680,807	805,031
Charitable activities	4	548,524	965,941	1,514,465	1,767,021
Income from other trading activities	5	121,007	-	121,007	169,175
Total income and endowments		1,350,338	965,941	2,316,279	2,741,227
Expenditure on:					
Raising funds	6	183,138	-	183,138	149,922
Charitable activities	7	1,240,411	965,941	2,206,352	2,414,711
Total expenditure		1,423,549	965,941	2,389,490	2,564,633
Net (expenditure)/income and net movement in funds		(73,211)	-	(73,211)	176,594
Fund balances brought forward at 1 July 2020		852,175	-	852,175	675,581
Fund balances carried forward at 30 June 2021		778,964	-	778,964	852,175

All amounts above are derived from continuing operations and the company has no recognised gains or losses other than those passing through the Statement of Financial Activities, which includes the income and expenditure account.

The notes on pages 13 to 23 form part of these financial statements.

Saints Foundation (SFC)

Registered company number: 04312794

Statement of Financial Position as at 30 June 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	10		14,679		28,424
Current assets					
Debtors - amounts falling due within one year	11	118,884		109,275	
Cash at bank and in hand		1,573,830		1,608,421	
		<u>1,692,714</u>		<u>1,717,696</u>	
Creditors: amounts falling due within one year	12	<u>(928,429)</u>		<u>(893,945)</u>	
Net current assets			<u>764,285</u>		<u>823,751</u>
Net assets			<u>778,964</u>		<u>852,175</u>
Funds					
Unrestricted funds	15		778,964		852,175
Restricted funds	15		-		-
Total funds			<u>778,964</u>		<u>852,175</u>

The financial statements were approved by the Board of Trustees on 21/2/2022 and were signed on its behalf by:

Mark Abrahams
Trustee



The notes on pages 13 to 23 form part of these financial statements.

Saints Foundation (SFC)

Statement of Cash Flows for the year ended 30 June 2021

	Total 2021 £	Total 2020 £
Cash flows from operating activities		
(Deficit)/surplus for the financial year	(73,211)	176,594
Adjustments for:		
Depreciation of fixed assets	13,745	21,478
Loss on disposal of fixed assets	-	2,417
Interest payable	584	1,238
(Increase)/decrease in debtors	(9,609)	387,527
Increase/(decrease) in creditors	45,801	(102,836)
	(22,690)	486,418
<i>Net cash (used in)/provided by operating activities</i>	(22,690)	486,418
Cash flows from financing activities		
Repayment of finance lease	(11,317)	(9,815)
Finance lease interest paid	(584)	(1,238)
	(11,901)	(11,053)
<i>Net cash used in financing activities</i>	(11,901)	(11,053)
Net (decrease)/increase in cash and cash equivalents	(34,591)	475,365
Cash and cash equivalents at beginning of year	1,608,421	1,133,056
	1,573,830	1,608,421
Cash and cash equivalents at end of year	1,573,830	1,608,421
Cash and cash equivalents comprise:		
Cash at bank and in hand	1,573,830	1,608,421
	1,573,830	1,608,421

The notes on pages 13 to 23 form part of these financial statements.

Saints Foundation (SFC)

Notes forming part of the financial statements for the year ended 30 June 2021

1 General information

Saints Foundation (SFC) is a charitable company limited by guarantee and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given in the contents page and the nature of the company and its principal activities are set out in the Report of the Trustees.

2 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019 - (Charities SORP 2nd edition (FRS 102))), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The accounts are prepared in GBP and rounded to the nearest pound.

Saints Foundation (SFC) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Charity's accounting policies. Management do not consider that there are any complex judgements involved in applying the Charity's accounting policies and also no significant estimates involved in the preparation of the financial statements.

Going concern

The impact of the COVID-19 pandemic took hold in March 2020 which continued throughout 2021 substantially reducing certain charitable activities since this point. Although project funding have largely commenced their normal operations and fundraising has started to return to normality.

The trustees have prepared a budget to June 2023 based on their current expectation of activity to this date which shows the foundation to continue to grow and generate a surplus in the years 2021/22 and 2022/23.

Stress-testing has also been performed against budgeted performance to demonstrate that the ability of the charity to meet its obligations as they fall due. In addition, the charity continues to benefit from the donation in kind of office space and certain support functions from Southampton Football Club and consequently has a low base of administrative costs that are not directly related to particular charitable activities. As a result, the cash position has been maintained and stands at £1.8m at 31 December 2021. Accordingly, the Trustees are of the view that the Charity has sufficient liquidity to continue to operate for the foreseeable future and therefore consider it appropriate to continue to prepare the financial statements on the going concern basis.

Saints Foundation (SFC)

Notes forming part of the financial statements for the year ended 30 June 2021 (*continued*)

2 Accounting policies (*continued*)

Income

All income is recognised in the statement of financial activities when the conditions for receipt have been met, the monetary value of the incoming resources can be measured with sufficient reliability and there is reasonable assurance of receipt. The following accounting policies are applied to income;

Income from charitable activities

Income from charitable activities represents income from coaching courses and the delivery of the charity's core projects. The income is accounted for on a receivable basis. Incoming resources from service level agreements are recognised on performance.

Donations

Donations represent core-funding, donations from corporates and individuals and those dedicating volunteer events to the Charity. Where services are provided at no cost, the value of those services are treated as a donation in kind with the respective cost charged to expenditure.

Voluntary income includes income from legacies that are accounted for on notification by the personal representatives and the value of the legacy can be measured reliably and the receipt of that amount is probable.

Fundraising

Fundraising income represents the monies received from supporters of the company fundraising events and are accounted for at the time of the event.

The Charity operates a matchday lottery which is accounted for in line with the lottery accounts and an auction site which recognises income on settlement of the bid. Stadium tours are accounted for in the period to which the tours take place.

Interest income

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

Expenditure

Resources expended, accounted for on an accruals basis, are allocated between costs of charitable expenditure and fundraising.

Costs of raising funds

These are costs which are directly related to the raising of voluntary donations and grants and publicising the activities of the Charity.

Costs of charitable activities

Costs of charitable activities include services supplied identifiable as wholly or mainly in support of the charitable company's objectives. Direct costs are allocated against the activities of the charity and support costs are apportioned on the basis of staff numbers.

Pensions

The charity operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the charity pays fixed contributions into a separate entity. Once the contributions have been made the charity has no further payment obligations.

The contributions are recognised as an expense in the statement of financial activities when they fall due. Amounts not paid are shown separately as a liability in the balance sheet. The assets of the plan are held separately from the charity in administered funds.

Saints Foundation (SFC)

Notes forming part of the financial statements for the year ended 30 June 2021 (*continued*)

2 Accounting policies (*continued*)

Tangible fixed assets and depreciation

All assets over £1,000 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Equipment - 3 - 5 years straight line

Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors

Creditors are recognised where the charity 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charity 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.

Leases

Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the charity, the asset is treated as if it had been purchased outright. The amount initially recognised as an asset is the lower of the fair value of the leased property and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to the statement of financial activities over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

Saints Foundation (SFC)

Notes forming part of the financial statements for the year ended 30 June 2021 *(continued)*

2 Accounting policies *(continued)*

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

3 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Grants	310,143	-	310,143	214,918
Furlough income	74,170	-	74,170	-
Donations and volunteer events	129,494	-	129,494	423,113
Donation in kind	167,000	-	167,000	167,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2021	680,807	-	680,807	805,031
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total 2020	805,031	-	805,031	
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	

4 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Project income - performance-related grants	223,753	965,941	1,189,694	1,097,379
Coaching and other activities	324,771	-	324,771	669,642
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2021	548,524	965,941	1,514,465	1,767,021
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total 2020	669,642	1,097,379	1,767,021	
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	

All restricted income in the prior year related to project income.

Saints Foundation (SFC)

Notes forming part of the financial statements
for the year ended 30 June 2021 (continued)

5 Income from other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Lottery	24,992	-	24,992	32,694
Auction site	47,175	-	47,175	35,033
Events	48,840	-	48,840	101,448
	<u>121,007</u>	<u>-</u>	<u>121,007</u>	<u>169,175</u>
Total 2021	121,007	-	121,007	169,175
	<u>169,175</u>	<u>-</u>	<u>169,175</u>	
Total 2020	169,175	-	169,175	

6 Expenditure on raising funds

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Lottery	60	-	60	15
Auction site	15,842	-	15,842	3,008
Events	20,349	-	20,349	146,899
Staff costs	119,918	-	119,918	-
Support costs allocated	26,969	-	26,969	-
	<u>183,138</u>	<u>-</u>	<u>183,138</u>	<u>149,922</u>
Total 2021	183,138	-	183,138	149,922
	<u>149,922</u>	<u>-</u>	<u>149,922</u>	
Total 2020	149,922	-	149,922	

7 Expenditure on charitable activities

	Unrestricted Funds £	Restricted funds £	Total 2021 £	Total 2020 £
Central coaches and staff salaries	473,183	-	473,183	594,026
Central coaches and staff overheads	41,009	-	41,009	351,764
Central coaches support costs allocated	35,960	-	35,960	-
Project salaries and costs	571,348	-	571,348	1,221,182
Project overheads	-	965,941	965,941	55,232
Project support costs allocated	116,867	-	116,867	-
Donations to local charities and projects	2,044	-	2,044	16,741
Allocation of governance and support costs	-	-	-	175,766
	<u>1,240,411</u>	<u>965,941</u>	<u>2,206,352</u>	<u>2,414,711</u>
Total 2021	1,240,411	965,941	2,206,352	2,414,711
	<u>1,317,332</u>	<u>1,097,379</u>	<u>2,414,711</u>	
Total 2020	1,317,332	1,097,379	2,414,711	

Saints Foundation (SFC)

Notes forming part of the financial statements
for the year ended 30 June 2021 (*continued*)

7 Expenditure on charitable activities (continued)

All restricted expenditure in 2020 related to project overheads.

If support costs had been allocated in 2020 on the lines of staff numbers as they have in 2021, £41,357 of governance and support costs would have been allocated to central coaches, and £134,409 allocated to project costs. The change in accounting policy regarding the allocation of expenditure has no effect on the funds of the group.

8 Governance and support costs

	Total 2021 £	Total 2020 £
Donated services	167,000	167,000
Auditor's remuneration	9,646	8,766
Other governance costs	3,150	-
	179,796	175,766
	179,796	175,766

The donated services in 2021 and 2020 relate to the donation in kind of administrative and other support services by Southampton Football Club.

Governance and support costs are considered to relate mainly to charitable activities and have consequently been wholly allocated to this expenditure category.

9 Employees

	2021 £	2020 £
Wages and salaries	1,704,128	1,680,504
Social security costs	141,747	140,926
Pension	42,634	66,738
	1,888,509	1,888,168
	1,888,509	1,888,168

The average monthly number of employees employed by the charitable company during the year is as follows:

	2021 Number	2020 Number
Direct	56	57
Administration	2	2
Part time coaches	11	12
	69	71
	69	71

Saints Foundation (SFC)

Notes forming part of the financial statements for the year ended 30 June 2021 (continued)

9 Employees (continued)

The charity operates a defined contribution pension scheme.

One employee (2020 - One) earned in excess of £60,000 (being within the band £60,000 - £70,000) (2020 - £60,000 – £70,000).

No remuneration or compensation of expense was paid to the trustees during the year.

Part time coaches numbers are based upon full time equivalents.

Key management personnel including head of charity and Trustees across Saints Foundation, who together have authority and responsibility for planning, directing and controlling the activities of the charity.

The total compensation paid to key management personnel for services provided to the charity was £208,511 (2020 - £239,302).

10 Tangible fixed assets

	Equipment £
Cost	
At 1 July 2020 and 30 June 2021	98,886
Depreciation	
At 1 July 2020	70,462
Charge for the year	13,745
	<hr/>
At 30 June 2021	84,207
	<hr/>
Net book value	
At 30 June 2021	14,679
	<hr/> <hr/>
At 30 June 2020	28,424
	<hr/> <hr/>

Assets held under finance lease at the balance sheet date have a net book value of £8,105 (2020 - £16,762). Depreciation charged during the year on these assets totalled £8,637 (2020 - £16,375).

Saints Foundation (SFC)

Notes forming part of the financial statements
for the year ended 30 June 2021 (*continued*)

11 Debtors: amounts falling due within one year	2021 £	2020 £
Trade debtors	53,278	23,521
Prepayments and accrued income	65,606	85,754
	118,884	109,275
	118,884	109,275

12 Creditors: amounts falling due within one year	2020 £	2020 £
Trade creditors	21,192	4,342
Amounts owed to Southampton Football Club	322,960	307,416
Other taxes and social security	38,027	159,930
Other creditors	7,909	125
Accruals and deferred income	529,455	401,929
Obligations under finance lease	8,886	20,203
	928,429	893,945
	928,429	893,945

Obligations relating to finance leases are secured on the assets to which they relate.

13 Deferred income	2021 £
Amount at 1 July 2020	366,241
Released in the year	(366,241)
Deferred in the year	492,020
	492,020
Amount at 30 June 2021	492,020

The deferred income relates to project funding, courses and events due to take place in future periods.

Saints Foundation (SFC)

Notes forming part of the financial statements
for the year ended 30 June 2021 *(continued)*

15 Funds	Brought forward at 1 July 2020 £	Income £	Expenditure £	Carried forward at 30 June 2021 £
2021				
Unrestricted funds				
General funds	852,175	1,350,338	(1,423,549)	778,964
Restricted funds				
Active Through Football	-	7,500	(7,500)	-
Community Champions	-	235,538	(235,538)	-
Primary Stars	-	145,635	(145,635)	-
Inspires	-	68,781	(68,781)	-
Switching Play	-	39,836	(39,836)	-
Saints4Sport	-	54,716	(54,716)	-
Kicks Core & Disability	-	185,484	(185,484)	-
Saintsability	-	9,540	(9,540)	-
Saints Works Targeted	-	15,342	(15,342)	-
Saints Works	-	25,000	(25,000)	-
Saints Works Core	-	15,358	(15,358)	-
Generation Gains	-	24,961	(24,961)	-
Senior Saints	-	138,250	(138,250)	-
	-	965,941	(965,941)	-
Total funds	852,175	2,316,279	(2,389,490)	778,964

Saints Foundation (SFC)

Notes forming part of the financial statements
for the year ended 30 June 2021 (*continued*)

15 Funds (*continued*)

2020	Brought forward at 1 July 2019 £	Income £	Expenditure £	Carried forward at 30 June 2020 £
Unrestricted funds				
General funds	675,581	1,643,848	(1,467,254)	852,175
Restricted funds				
Enterprise	-	10,976	(10,976)	-
Connect	-	64,383	(64,383)	-
Saints Switching play	-	79,368	(79,368)	-
Kickz	-	203,122	(203,122)	-
PL Primary Stars	-	164,545	(164,545)	-
Saints Ability	-	49,618	(49,618)	-
Women & Girls	-	4,167	(4,167)	-
Generation Gains	-	102,005	(102,005)	-
Community Champions	-	207,623	(207,623)	-
Saints 4 Sport	-	56,918	(56,918)	-
Primary Stars	-	3,147	(3,147)	-
Continuous Fund	-	6,975	(6,975)	-
Saints Works	-	54,988	(54,988)	-
Pathways to Health	-	83,185	(83,185)	-
Senior Saints	-	6,359	(6,359)	-
	-	1,097,379	(1,097,379)	-
Total funds 2020	675,581	2,741,227	(2,564,633)	852,175

16 Analysis of net assets between funds

	Unrestricted £	Restricted £	Total 2021 £
Fixed assets	14,679	-	14,679
Current assets	1,692,714	-	1,692,714
Current liabilities	(928,429)	-	(928,429)
Total funds 2021	778,964	-	778,964

Saints Foundation (SFC)

Notes forming part of the financial statements
for the year ended 30 June 2021 *(continued)*

16 Analysis of net assets between funds *(continued)*

	Unrestricted £	Restricted £	Total 2020 £
Fixed assets	28,424	-	28,424
Current assets	1,717,696	-	1,717,696
Current liabilities	(893,945)	-	(893,945)
	852,175	-	852,175
Total funds 2020	852,175	-	852,175

17 Net debt reconciliation

	At 1 July 2020 £	Cash movements £	At 30 June 2021 £
Cash	1,608,421	(34,591)	1,573,830
Finance lease creditor	(20,203)	11,317	(8,886)
	1,588,218	(23,274)	1,564,944
	1,588,218	(23,274)	1,564,944

18 Related party transactions

Southampton Football Club is considered to be a related party due to its influence over the charity.

During the financial year, Southampton Football Club committed donations of £20,048 (2020 - £302,513). A total of £Nil (2020 - £10,795) is included in prepayments and accrued income at the year end.

A payable balance of £322,960 (2020 - £307,416) has arisen from purchases from Southampton Football Club and is included within creditors falling due within one year at the year end.

Southampton Football Club has provided administrative and other support with an estimated value of £167,000 (2020 - £167,000), this has been recognised as a donation and equivalent support cost. At the year end £Nil (2020 - £Nil) was outstanding on the balance sheet.

19 Post balance sheet events

From 1 July 2022, and as agreed by Trustees, Saints Foundation Coaching team will migrate to being part of Southampton Football Club's commercial operation under the banner of 'Football Partnerships'. As such, 11 members of staff will TUPE across to be employees of the club from that same date. In 2018-19, which was the last full year unaffected by the Covid-19 pandemic and which yielded typical financial results, this area of work generated income of £525k and expenditure of £449k, thus creating a surplus of £76k. As such, replacing the surplus which has typically supported the sustainability of the charity will be challenging, but we are fully confident that we can do so through increasing our fundraising yield in other areas.

