

REGISTRATION NUMBER: IP030721

Newcastle United Supporters Society Limited

Financial Statements

31 August 2022

STEPHENSON COATES AUDIT LIMITED

Chartered Accountants & Statutory Auditor
West 2, Asama Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YD

Newcastle United Supporters Society Limited

Financial Statements

Year ended 31 August 2022

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Newcastle United Supporters Society Limited

Officers and Professional Advisers

Management committee

A Beckett	A Hurst
T Concannon	M Mannion
M Corby	P Maughan
C Culley	C Robson
L Forster	G Tomlinson
	C Whittle

Registered office

Ash House
Cleish
Kinross
Perthshire
KY13 0LR

Auditor

Stephenson Coates Audit Limited
Chartered Accountants & Statutory Auditor
West 2, Asama Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YD

Newcastle United Supporters Society Limited

Management Committee Report

Year ended 31 August 2022

The officers present their report and the financial statements of the society for the year ended 31 August 2022.

Principal activities

The principal activity of the society during the year was being a democratic and representative voice of the supporters of the club and strengthening the bonds between the club and communities which it serves.

Achieving the greatest possible supporter and community influence in the running and ownership of the club.

Promoting responsible and constructive community engagement by present and future members of communities served by the club and encouraging the club to do the same.

Operating democratically, fairly, sustainably, transparently and with financial responsibility, whilst encouraging the club to do the same.

Being a positive, inclusive and representative organisation, open and accessible to all supporters of the club regardless of the age, income, ethnicity, gender, disability, sexuality or religious or moral belief. Apart from these formal objectives, the society has been trying to increase its membership, open up new dialogue with the club and develop a fans pledge scheme to raise funds to be used exclusively for the purchase of shares in the club if and when they become available.

Officers

The officers who served the society during the year were as follows:

A Beckett	A Hurst
T Concannon	M Mannion
M Corby	P Maughan
C Culley	C Robson
L Forster	G Tomlinson
C Whittle (appointed 30 May 2022)	N Watson (resigned 30 May 2022)

Management committee's responsibilities statement

The management committee is responsible for preparing the management committee report and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society legislation requires the management committee to prepare financial statements for each financial year. Under that law the management committee has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Co-operative and Community Benefit Society legislation the officers 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 society and the profit or loss of the society for that period.

Newcastle United Supporters Society Limited

Management Committee Report *(continued)*

Year ended 31 August 2022

In preparing these financial statements, the management committee are required to:

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

The management committee is responsible for keeping adequate accounting records that are sufficient to show and explain the society's transactions and disclose with reasonable accuracy at any time the financial position of the society and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is an officer at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the society's auditor is unaware; and
- they have taken all steps that they ought to have taken as an officer to make themselves aware of any relevant audit information and to establish that the society's auditor is aware of that information.

This report was approved by the management committee on 12 January 2023 and signed on behalf of the board by:



G Tomlinson
Director

Registered office:
Ash House
Cleish
Kinross
Perthshire
KY13 0LR

Newcastle United Supporters Society Limited

Independent Auditor's Report to the members of Newcastle United Supporters Society Limited

Year ended 31 August 2022

Opinion

We have audited the financial statements of Newcastle United Supporters Society Limited (the 'society') for the year ended 31 August 2022 which comprise the statement of income and retained earnings, statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the society, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society those matters we are required to state to it 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 society, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the society's affairs as at 31 August 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

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 respective responsibilities of management committee and auditor section of our report. We are independent of the society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the management committees' 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 society'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 management committee with respect to going concern are described in the relevant sections of this report.

Newcastle United Supporters Society Limited

Independent Auditor's Report to the members of Newcastle United Supporters Society Limited *(continued)*

Year ended 31 August 2022

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The management committee is responsible for the other information. 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the society and its environment obtained in the course of the audit, we have not identified material misstatements in the management committee report.

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the society has not kept proper books of account or has not maintained a satisfactory system of control over its transactions; or
- the financial statements are not in agreement with the society's books of account; or
- we fail to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of the management committee

As explained more fully in the management committee's responsibilities statement, the management committee is 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 management committee 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 management committee is responsible for assessing the society'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 management committee either intend to liquidate the society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Newcastle United Supporters Society Limited

Independent Auditor's Report to the members of Newcastle United Supporters Society Limited *(continued)*

Year ended 31 August 2022

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.

We obtained an understanding of the legal and regulatory framework applicable to both the society itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the management committee. The most significant identified that directly affect the financial statements include financial reporting legislation (including related companies' legislation) and taxation legislation. The society is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: Health and Safety and Data Protection regulations, recognising the nature of the society's activities.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

Use of our report

This report is made solely to the society, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our work has been undertaken so that we might state to the society those matters we are required to state to it 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 society, for our work, for this report, or for the opinions we have formed.

John Oswald (Senior Statutory Auditor)
Stephenson Coates Audit Limited
Statutory Auditor
West 2, Asama Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YD

12 January 2023

Newcastle United Supporters Society Limited

Statement of Income and Retained Earnings

Year ended 31 August 2022

	Note	2022 £	2021 £
Turnover		8,700	7,631
Gross profit		<u>8,700</u>	<u>7,631</u>
Administrative expenses		(13,352)	(34,239)
Other operating income		(45)	2,683
Operating loss		<u>(4,697)</u>	<u>(23,925)</u>
Impairment of intangible assets		(5,690)	-
Loss before taxation	4	<u>(10,387)</u>	<u>(23,925)</u>
Tax on loss		-	-
Loss for the financial year and total comprehensive income		<u>(10,387)</u>	<u>(23,925)</u>
Retained earnings at the start of the year		1,868	25,793
Prior period adjustments		-	-
Retained earnings at the start of the year		<u>1,868</u>	<u>25,793</u>
Retained earnings at the end of the year		<u>(8,519)</u>	<u>1,868</u>

The notes on pages 9 to 12 form part of these financial statements.

Newcastle United Supporters Society Limited

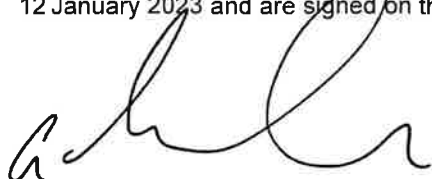
Statement of Financial Position

31 August 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	5	-	10,300
Current assets			
Cash at bank and in hand		203,735	142,695
		<u>203,735</u>	<u>142,695</u>
Current liabilities			
Creditors	6	(200,000)	(136,110)
Net current assets		<u>3,735</u>	<u>6,584</u>
Total assets less current liabilities		<u>3,735</u>	<u>16,884</u>
Net assets		<u>3,735</u>	<u>16,884</u>
Capital and reserves			
Called up share capital		12,254	15,016
Profit and loss account		(8,519)	1,868
Members funds		<u>3,735</u>	<u>16,884</u>

These financial statements have been prepared in accordance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the management committee and authorised for issue on 12 January 2023 and are signed on their behalf by:



G Tomlinson
Director



C Whittle
Interim Secretary

Registration number: IP030721

The notes on pages 9 to 12 form part of these financial statements.

Newcastle United Supporters Society Limited

Notes to the Financial Statements

Year ended 31 August 2022

1. General information

The society is registered under the Co-operative and Community Benefit Societies Act 2014. The address of the registered office is Drapers Cottage, Slaley, NE47 0AA, Northumberland.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

Notwithstanding the loss in the year, the accounts have been prepared on a going concern basis. Having carried out a detailed review of the society's resources, the board are satisfied that the society has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of approval of the accounts.

Revenue recognition

Turnover represents the total value of subscriptions received during the year.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Website	-	33% straight line
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If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Newcastle United Supporters Society Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2022

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Financial instruments

A financial asset or a financial liability is recognised only when the society becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets or either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Newcastle United Supporters Society Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2022

4. Loss before taxation

Loss before taxation is stated after charging:

	2022	2021
	£	£
Amortisation of intangible assets	4,610	2,358
1892 Pledge Scheme operating income	45	(2,683)
Impairment losses	<u>5,690</u>	<u>-</u>

Impairment losses

The intangible assets comprised of a website which was set up for the sole purpose of the 1892 Pledge Scheme. As disclosed in Note 6, the 1892 Pledge Scheme has now closed, and the website discontinued. Subsequently, the residual asset value has been impaired in full (see Note 5).

5. Intangible assets

	Website
	£
Cost	
At 1 September 2021	14,071
Additions	-
At 31 August 2022	<u>-</u>
Amortisation	
At 1 September 2021	3,771
Charge for the year	4,610
Impairment losses (Note 4)	<u>5,690</u>
At 31 August 2022	<u>14,071</u>
Carrying amount	
At 31 August 2022	<u>-</u>
At 31 August 2021	<u>10,300</u>

Newcastle United Supporters Society Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2022

6. Creditors

	2022	2021
	£	£
Other creditors	<u>200,000</u>	<u>136,110</u>

On 8 April 2021, the 1892 Pledge Scheme was launched with a long-term aim of raising funds to safeguard the future of Newcastle United FC.

On 7 October 2021, Newcastle United was taken over by a consortium of PCP Capital Partners, Reuben Brothers and the Public Investment Fund of Saudi Arabia. Subsequently the Trust Board and 1892 Pledge Scheme Guardian's voted to end the scheme, and this was ratified by a member vote.

As at 31 August 2022, £200,000 (2021: £136,110) had been raised and is held as a cash balance in the Statement of Financial Position.

Following the year end, the full amount raised was donated to local charities less the small amount being held in the business to cover administrative costs. A breakdown of the donations to local charities is stated below:

The Alan Shearer Foundation	£83,500
The Sir Bobby Robson Foundation	£59,000
The Newcastle United Foundation	£30,000
The West End Foodbank	<u>£27,500</u>
Total	<u>£200,000</u>