



Foundation

Manchester United Foundation
(A Company Limited by Guarantee)

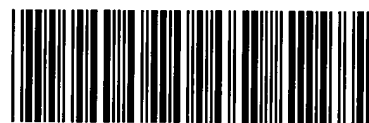
Annual Report and Financial Statements

Year Ended 30 June 2016

Charity Number: 1118310

Company Number: 05845172

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Manchester United Foundation (A Company Limited by Guarantee)

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Chairman's Review for the year ended 30 June 2016

It's been an exciting and rewarding financial year for the Foundation. The Charity continues to go from strength to strength and it's clear to see the daily impact on the lives of young people across Greater Manchester. The growth we have achieved in such a short space of time is a testament to the dedication and drive of Foundation staff that are committed to changing the lives of young people.

Each week Manchester United Foundation engages over 20,000 participants through local schools and projects. It's a statistic that continues to grow consistently and most importantly the Foundation sustains long term-relationships with a number of these participants. This approach not only helps with personal development but also promotes inclusive behaviour and integration across Greater Manchester communities.

The operational side of the Foundation has also been enhanced with a number of key appointments in positions addressing quality assurance, finance and delivery operations. These appointments coupled with a solid strategy aiming for growth of our partner schools and evening football sessions sees us heading into the new season with a renewed stability. It's also promising to see that the groundwork is also in place for a potential international expansion based on the successes of our current delivery models.

One of my personal highlights has been acting as a guest judge at last season's enterprise event held at Swinton High School. From that single event the Foundation has been able to support and nurture a group of students whose business dreams have become a reality. With the help of departments around the club we've been able to have a positive impact on these young leaders and I was pleased to hear that their hard work and dedication was recognised when they were crowned the 2016 Premier League Enterprise champions in London, seeing off competition from participants representing football clubs across the professional game.

I look forward to entering our tenth year satisfied that Manchester United Foundation continues to go from strength to strength.



Richard Arnold

7 March 2017

Manchester United Foundation (A Company Limited by Guarantee)

Report of the Trustees for the year ended 30 June 2016

The Trustees present their report and audited consolidated financial statements of the Charity for the year ended 30 June 2016. This report has been prepared in accordance with the special provisions relating to small companies within Section 415a of the Companies Act 2006. The Company has also taken advantage of the small companies' exemption in section 414b of the Companies Act 2006 from preparing a Strategic Report.

Objects and Public Benefit

Objects

The objects of the Charity are:

- To promote community participation in healthy recreation by providing facilities for the playing of football and other sports capable of improving physical health;
- To provide and assist in providing facilities for sport, recreation and other leisure time occupation of such persons who have need for such facilities by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances, or for the public at large, in the interests of social welfare and with the object of improving their conditions of life;
- To advance the education of children and young people and provide opportunities for them to develop their full capabilities and enable them to become responsible members of society so that their condition of life may be improved; and
- The furtherance of such a charitable purpose or charitable purposes in any part of the world and if more than one in such proportions and such manner as the Trustees shall from time to time think fit.

The Charity has adopted the following vision, mission and values to enable it to achieve its charitable objects:

Vision

Manchester United Foundation uses football to engage and inspire young people to build a better life for themselves and unite the communities in which they live.

Mission

To channel the worldwide passion for Manchester United to influence positive change within communities by:

- Developing unique and relevant partnerships;
- Empowering young people through the delivery of innovative and educational programmes; and
- Developing greater understanding of social issues through education.

Values

- | | |
|------------------|--|
| • Responsibility | Harnessing a responsibility for our communities |
| • Respect | Nurturing the unique worth of every individual |
| • Achievement | Providing opportunities for individuals to achieve |
| • Excellence | Building on the traditions of Manchester United |
| • Investment | Ensuring our investment has maximum impact |
| • Passion | Embedding passion in all that we deliver |

Manchester United Foundation (A Company Limited by Guarantee)

Report of the Trustees for the year ended 30 June 2016 (continued)

Public Benefit

The Trustees have complied with the duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

Activities, Achievements and Performance

The Charity provides a range of opportunities to young people in line with its charitable objects. It has created and developed a number of strategic partnerships locally, regionally and nationally in areas of health, education and social justice.

Its strategic delivery is to children and young people between the ages of 5-18. This is through its Hubs of the Community programme, its Street Reds Cohesion programme, its Girls' Development programme, with plans to develop internationally. It also delivers football development initiatives.

The strategies adopted by the Charity together with the activities and achievements within each area of delivery are outlined below.

Partner schools (Hub of the Community)

The Foundation's objective is to take Manchester United to the heart of the community and develop young people to achieve their potential. No project has gone further to achieving this than our Partner Schools (Hub of the Community) programme. The project bases full time Community Development Officers in targeted areas to help build relationships with the local community.

The Foundation currently works with 20 partner high schools and throughout the 2015/16 season engaged with a total of 7,387 young people.

Street Reds

Street Reds uses the power of football to give young people an opportunity to pursue their interest in playing, leading and coaching the beautiful game. We offer free sessions and alternative activities for young people aged 8 -18, with the opportunity to learn new skills and gain qualifications in a supportive and positive environment. Last season 2,573 participants attended Street Reds projects across Greater Manchester.

Girls Development

Despite Physical Education being compulsory in school, one in five girls do no physical activity in a week. To address this issue the Foundation runs a Girls' Development Programme providing football and coaching opportunities for girls through to senior level.

We provide girls only curriculum-time sessions, lunchtime and after school clubs and holiday courses with the aim of getting more girls involved in football. Bespoke events throughout the year also encourage participation in sport and aid the development of girls' football. Over the 2015/16 season the girls' development team engaged with 1,578 girls.

FA Girls' Regional Talent Club

The Foundation provides opportunities for girls to play football at the highest level, with the aim of developing into international players. Players who are selected for the FA Girls' Regional Talent Club (RTC) receive intensive training and support, along with the chance to compete against other clubs from across the North West. There were 64 players within the RTC in the 2015/16 season.

Community Projects

The Foundation offers a range of educational projects for young people in the local area. From educating youngsters about the inner workings of a football club to improving confidence, life skills and employability, our programmes are innovative and inspiring - everything you would expect from Manchester United.

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Report of the Trustees for the year ended 30 June 2016 (continued)

Ability Counts

Offering people with disabilities the opportunity to play or coach with Manchester United, the Ability Counts programme has grown into one of the largest in the Premier League. Teams focus on players with a sensory, physical and neurological impairment or disability and sign communicators are present at all sessions. Throughout the 2015/16 season Ability Counts engaged with a total of 84 participants.

Barclays Premier League Works

The Barclays Premier League Works programme provides young people with the skills, confidence and experiences that they need to make a positive transition back into education, access training or gain meaningful employment.

The programme sits within the Youth Engagement theme of the Premier League's Good Causes Strategy and aims to engage 16 to 24 year olds who have dropped out of school or have had limited education or training opportunities and have been hit hardest by youth unemployment. This unique partnership not only aims to improve the employability and financial skills of marginalised young people, but also helps them into employment or further education.

Participants who take part in this project are likely to have a better understanding of the employment market and will help develop career goals for the future. The programme will also address concerns about going into employment or further education or training. Participants will have the opportunity to gain FA recognised coaching qualifications and have access to training courses to improve their personal development.

Throughout the 2015/16 season the Barclays Premier League Works programme engaged with a total of 34 participants.

BTEC Sport

This innovative BTEC sport programme is designed to develop leaders of the future and allows students the opportunity to gain valuable experiences as well as an insight into the coaching philosophies of Manchester United, as we aim to develop young people and prepare them for employment. 50 students took the BTEC Sport course in the 2015/16 season.

The programme allows students to develop coaching skills and offers real life work-experience opportunities within the sports industry. Over the duration of the programme students will have the opportunity to work towards the following qualifications:

- BTEC Level 1 Diploma in Sport & Active Leisure (1 year)
- BTEC Level 2 Extended Certificate in Sport (1 year)
- BTEC Level 3 Diploma in Sport (1 year)
- BTEC Level 3 Extended Diploma in Sport (1 year)
- FA 1st 4 Sport Certificate in Coaching Football (Levels 1 & 2)
- Sports Leaders Award in Community Sports Volunteering

Enterprise Academy

Manchester United Enterprise Academy provides young people with an insight into what it takes for Manchester United to be as successful off the pitch, as they are on it. Looking at the club as a business and teaching students the skills to become successful themselves. 818 students engaged in the programme throughout the 2015/16 season.

Move With Manchester United

'Move With Manchester United' is a physical literacy programme delivered to primary school pupils for a 10 week duration during each academic term. Last season 3,889 pupils engaged in the programme.

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Report of the Trustees for the year ended 30 June 2016 (continued)

Move With Manchester United (continued)

Each primary school receives 10 weeks of physical literacy provision for Key Stage One pupils. Over the course of the programme five pupils who have shown significant technical and social improvements during the sessions will be invited to attend the 'Move With Manchester United' festival. The festivals are held at Old Trafford at the end of each term where pupils will take part in an educational and physical literacy session with the chance to meet Manchester United mascot Fred the Red.

Something to Chew On

Something to Chew On is a ten week programme that uses Manchester United to educate youngsters about being healthy in order to tackle rising obesity rates. The programme covers football, fitness and nutrition and teaches children about the importance of eating healthily and living a balanced lifestyle. Last season 907 pupils were engaged in the programme.

Fundraising

Activities for generating funds are carried out through the Trading Subsidiary (Manchester United Foundation (Trading) Limited). The board of Manchester United Foundation (Trading) Limited is:

John Alexander	
Virginia Buckley	
Michael Edelson	
Patrick Lord	(resigned on 18 January 2016)
David Maples	
Stephen Mycio	(resigned on 23 November 2016)
Alan John Dawson	(appointed on 9 June 2016)

The board meetings are held quarterly, in line with the main Foundation Trustee meetings.

The main activities of the Trading Subsidiary during the year were:

Raising funds – the Charity has developed a number of fundraising initiatives such as a golf day, on-line auctions, overseas legends match and a biennial legends football match at Old Trafford under the banner of Red Heart United which includes a mini concert on the pitch. A matchday executive suite lottery has been operating during the year under gambling legislation and reporting to the Gambling Commission.

Charity Services

Manchester United Foundation (Trading) Limited (our trading subsidiary) manages the Club's charity partner, Unicef, and the distribution of signed merchandise in response to requests from third party charities for their own fundraising purposes. The Trading Subsidiary has a service level agreement with Manchester United Limited whereby, in return for fees of £149,256 (2015: £141,933), the Trading Subsidiary agrees to manage Manchester United Limited's relationships with third party charities seeking support from Manchester United Limited. The management service covered the distribution, free of charge, of 1,870 (2015: 1,945) signed items including balls, shirts, pennants and photographs in response to requests from third party charities, and relationship management of the Club's adopted charity partners. We also donate match tickets to our partner schools and projects, as well as to deserving fans in need of support at a difficult time.

The Trading Subsidiary manages the Clubs global charity partnership with Unicef which ran to the 31 July 2016. Manchester United Limited are currently in the process of renegotiating a new contract.

Global Charity Partnership – United for Unicef

Manchester United was the first football club to develop an active partnership between Unicef and the world of football. United for Unicef was launched in 1999 and is the longest running collaboration between a Premiership football club and a global children's organisation. To date, the club has raised over £4 million helping millions of children worldwide.

Manchester United Foundation (A Company Limited by Guarantee)

Report of the Trustees for the year ended 30 June 2016 (continued)

Global Charity Partnership – United for Unicef (continued)

Manchester United's partnership with Unicef under the 'United for Unicef' brand is managed by Manchester United Foundation.

Money currently being raised by United for Unicef is going towards helping young people in Thailand and over the past few years the partnership has raised vital funds for vulnerable children in Vietnam and Bangladesh.

Thailand campaign

Unicef's vital work in Thailand is currently supporting education programmes for children with limited or no access to schooling. In Thailand, 25% of children do not start school; the quality of education is poor and those who do complete their schooling often leave lacking the skills needed to secure employment.

Children who remain out of school are the most marginalised, disadvantaged and have the poorest life chances, but an empowering education can break the poverty cycle. With access to quality education, every child can reap the benefits of a better, more peaceful life for themselves and their communities, with less poverty, better health and an increased ability to take their future into their own hands.

Financial Review

The overall position for Manchester United Foundation for the year is a deficit of £27,997 (2015: surplus of £320,589) which leaves reserves of £2,727,369 (2015: £2,755,366). This includes a profit before tax from its trading subsidiary of £16,269 (2015: £912,754). Profits from its trading subsidiary are wholly gift aided to the Charity.

The Trustees are grateful to Manchester United Limited for Gifts in Kind for the services provided in relation to human resources, information technology, finance/payroll, legal and maintenance, together with the provision of kit and equipment and a discretionary staff bonus. This equates to an estimated monetary value of £339,939 (2015: £507,150). The significant reduction in Gifts in Kind during the year is due to the hire of the stadium for the Red Heart United game in June 2015.

As the Charity has grown, we have identified new grant funds along with new fundraising ventures such as overseas legends matches. Manchester United Foundation is well placed to benefit from future grants for community delivery and fundraising opportunities.

As part of the review of the Charity's performance the Trustee's reviewed the level of charitable spend compared with charitable and net trading income. Net trading income is defined as the net income generated by the Charity and is the net of trading income generated, less the costs associated with that income, which are mostly related to fund raising activities. Both trading income and trading costs are disclosed in the notes to the financial statements.

Charitable income represents all other income of the Charity and charitable spend represents the fund used by the Charity for charitable purposes. Both charitable income and charitable spend are disclosed in the notes to the financial statements.

For the year ended 30 June 2016, 101p in the pound of charitable and net trading income was spent on charitable activities (2015: 87p in the pound). The increase in 2016 reflects the use of surplus funds generated in prior financial years to support charitable activities undertaken in the 2016 financial year.

The Trustees remain satisfied with the ratio of charitable spend to charitable and net trading income but will continue to monitor this in future years as part of assessing the performance and contribution of the Charity.

Investment powers and policy

Under the Memorandum and Articles of Association, the Charity has the power to invest funds at the direction of the Trustees.

Manchester United Foundation (A Company Limited by Guarantee)

Report of the Trustees for the year ended 30 June 2016 (continued)

Investment powers and policy (continued)

The Trustees intend to maintain the real value of the Charity's funds. They do not invest in products with significant volatility and risk and have agreed a policy of maximizing returns on cash deposits is the most sensible method. This gives a fixed return with no risk to capital.

Reserves Policy

The Trustees have established the level of reserves (that is those funds that are freely available) that the Charity ought to have. The Trustees deem it to be prudent to hold a reserve in order that the Charity can continue its objects should there be a short term reduction in funding. The investment powers may be delegated to a professional investment manager.

The Trustees have sought to establish new funding streams for the coming financial year to ensure that reserves remain intact. As the Charity's activities grow, and operational costs increase, the Trustees will make the appropriate decisions to alter our reserves year on year. The Trustees make the commitment that at any time the reserves will be between approximately 6 and 12 months of anticipated operating costs.

Plans for the Future

The Charity plans to develop programmes and relationships and to continue to establish and develop partnerships with local organisations in order to further its objectives.

The specific plans to each area of the business are as follows:

Football

- To continue to provide structured skill specific football sessions within the Hub schools with a long-term vision to improve team performance and signpost participants onto clubs in the local community;
- To continue to identify and support disengaged students through bespoke Manchester United Foundation mentoring programmes;
- Using football, as the engagement tool, we will continue to deliver bespoke leadership (Leading the Manchester United Way), numeracy (Future Confidence Mathematics) and literacy (Premier League Reading Stars) programmes within our partner schools;
- Throughout the year each of the eighteen Hub schools will receive four weeks holiday provision which will incorporate football specific skill development, tournaments, and leadership and Transitional programmes;
- To continue to develop and deliver the girls' programme to a higher number of participants, whilst building girls' football in the area both during curriculum time and as an extra-curricular activity;
- To continue to deliver the Manchester United Foundation's Red Pack football specific resource throughout all of our partner primary schools;
- To continue to develop and deliver our "Move With" Physical Literacy beginner and intermediate programmes within Key Stages 1 and 2. This will provide opportunities for participants to link into Manchester United Football Club development centres and academy programmes; and
- To continue to deliver the Foundation's disability programme by introducing a new Ability Counts programme offering people with disabilities the opportunity to play or coach with Manchester United.

Community Cohesion

- To continue to operate, develop, and enhance our Community Cohesion programmes in Greater Manchester; and
- To continue to manage the Club's commitment to the Premier League's Equality standard and Kick It Out initiatives.

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Report of the Trustees for the year ended 30 June 2016 (continued)

Education

- To further develop the Manchester United Enterprise Academy to deliver both core enterprise programme and employability skills;
- To develop our partnerships with Further Education establishments in order to enhance football and sport related BTEC;
- To develop our work in coach education; and
- To create, develop and instigate leadership and employability programmes, both independently and with partners.

Health

- To continue to support a number of programmes with health education, focusing on wellbeing, physical activity and healthy eating.

Charity

- To continue to manage the relationship with partner charity organisations with the object of improving the conditions of the lives of young people; and
- To continue to distribute items of merchandise, signed by football staff, in response to requests from third party charities.

Fundraising

- To continue developing proactive relationships with club sponsors;
- To develop new revenue streams through the Trading Subsidiary, in particular to increase the Executive lottery revenue on match days; and
- To develop new Foundation projects that create awareness of the Foundation and also opportunity to raise funds, including:
 - Overseas legends matches
 - Fundraising dinners – both nationally and internationally
 - Stadium wide events such as Red Heart United legends game

Structure, Governance and Management

Introduction

Manchester United Foundation was incorporated on 13 June 2006, and obtained charitable status on 9 March 2007. The following report covers the year 2015/16 for the Foundation operating with charitable status.

Governing Document

Manchester United Foundation is a company limited by guarantee governed by its Memorandum and Articles of Association revised on 9 January 2014. It is a charity registered with the Charity Commission.

Appointment of Trustees

Trustees are elected by the members. Membership of the Charity is open to Trustees of the Charity and each Trustee will automatically become a member on his/her appointment to the Charity.

As set out in the Articles of Association, the Chair of the Trustees is nominated by the Trustees. A majority of the Trustees in office from time to time must be Independent Trustees (independent being defined as not a director or employee of Manchester United Limited or any of its group companies). Trustees are appointed for a period of three years and thereafter one third of the Trustees retire in rotation, the first to retire being those who have been in office the longest.

The Trustees may at any time co-opt any person duly qualified to be appointed as a Trustee to fill a vacancy in their number or as an additional Trustee; however a co-opted Trustee only holds office until the next AGM, when the appointment is confirmed by the members.

Manchester United Foundation (A Company Limited by Guarantee)

Report of the Trustees for the year ended 30 June 2016 (continued)

Trustee Induction and Training

Trustees undergo a training session led by specialist Charity lawyers to brief them on their legal obligations under Charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes.

Prior to this training session, Trustees have the opportunity to meet key members of staff who are responsible for each operational department.

On-going training for Trustees will be provided, as appropriate, to facilitate the undertaking of their role. Safeguarding training was delivered in February 2016 and Governance training was delivered in September 2016.

Organisation

A Chief Executive is appointed by the Trustees to manage the day to day operations of the Charity. To facilitate effective operations, the Chief Executive has delegated authority, within the terms of the delegation approved by the Trustees, for operational matters including programme management and delivery, finance and human resources.

There is a sub-committee that assists in the on-going development of the Foundation which reports back to the main board of Trustees. The sub-committee is:

- **Fundraising & Development:** This committee identifies and assists in operating different fundraising initiatives. The members are:

Nicholas Booth	(Independent)
Virginia Buckley	(Trustee)
Michael Edelson	(Trustee)
Gillian Mitchell	(Relationship Director) (resigned 8 April 2016)
John Shiels	(CEO)
Philip Townsend	(Trustee)
Gill Rouch	(Director of Finance & Compliance) (appointed 12 November 2015)

The sub-committee meets as deemed necessary.

Related Parties

The Charity's wholly owned subsidiary, Manchester United Foundation (Trading) Limited ("the Trading Subsidiary") was incorporated on 21 March 2006. The purpose of the Trading Subsidiary is to operate commercial activities, the profits from which are donated under a deed of covenant to the Charity for charitable purposes.

The Charity is supported by Manchester United Limited (MUL), in that the Charity has a licence to use Manchester United Football Club's brand, and also certain rights to use the Club's ground at Old Trafford. During the year MUL provided the following services to the Charity:

- MUL processed the Charity's payroll for the year for a total value of £2,111,710 (2015: £1,987,925) which the Charity repays in full to MUL with the exception of a discretionary bonus of £81,500 (2015: £81,500) which is included in the Gifts in Kind figure disclosed in note 9. No service charge or mark-up fee was paid to MUL by the Charity for the provision of this service. The amount owing to MUL by the Charity in relation to payroll repayments at year end was £165,607 (2015: £315,045).
- Other payments made by the Charity to MUL during the year amounted to £480,161 (2015: £563,458) including rental of facilities and recharge of costs incurred on the Charity's behalf. Other payments made by MUL to the Charity amounted to £302,262 (2015: £184,511).

Manchester United Foundation (A Company Limited by Guarantee)

Report of the Trustees for the year ended 30 June 2016 (continued)

Related Parties (continued)

Richard Arnold is a trustee of the Foundation, and a director of Manchester United Football Club Limited, MUTV Limited and MU RAML. The Charity paid MU RAML £8,497 during the year, principally in relation to branded kit and merchandise.

Michael Edelson is a trustee of the Foundation, a director of Manchester United (Trading) Limited and a director of Manchester United Football Club Limited.

David Maples is a trustee of the Foundation, a director of Manchester United (Trading) Limited and a partner at Brabners LLP, the Foundation's solicitors. The Charity paid Brabners LLP £1,242 (2015: £11,662) during the year in respect of legal and company secretarial services.

Tarun Kapur is a trustee of the Foundation, the Chief Executive (Education) & Academy Principal of two schools, Broadoak School & The Dean Trust Ardwick, in which the Foundation works and Chairman of the Football Association/Premier League Facilities Panel. During the year Broadoak School paid the Charity £19,000 (2014: £24,564) in respect of delivery work. The Dean Trust Ardwick did not remit any monies to the Foundation.

John Shiels, the Chief Executive Officer, is a trustee of the Dean Trust, which runs two schools in which the Foundation works.

None of the Trustees receive any remuneration.

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. Trustee indemnity insurance covers the Trustees against personal liability for corporate or management claims that may be made against them.

The Charity, through its Trading Subsidiary, continues to manage the Club's charitable partnerships and signed merchandise requests, generating income of £149,256 (2015: £141,933).

Risk Management

The Trustees are aware of factors both within and outside the Charity's control that are relevant to the achievement of its objectives including relationship with employees, key partners and funders and have a risk management strategy in place which comprises:

- An annual review of the risks the Charity may face;
- The establishment of systems and procedures to mitigate those risks identified; and
- The implementation of procedures designed to minimise any potential impact on the Charity should those risks materialise.

Work in this area has identified the following risks:

- Issues regarding Child Protection and Crisis Management which may impact on the reputation of the Charity; and
- Income streams – income generating activities of the Trading Subsidiary may be impacted by the current economic climate and the Government's Comprehensive Spending Review may adversely impact grant funding available.

Manchester United Foundation (A Company Limited by Guarantee)

Report of the Trustees for the year ended 30 June 2016 (continued)

Risk Management (continued)

In consideration of these risks the Trustees have:

- Continued to seek new funding streams to ensure that reserves remain intact;
- Appointed a Trustee on the Board (David Maples) who is, by profession, a Solicitor who can provide appropriate training and guidance to the Trustees on all risk management issues; and
- Designated a Trustee (Tarun Kapur) with responsibilities for Safeguarding children and vulnerable adults.

Statement of Trustees' responsibilities

The Trustees (who are also directors of Manchester United Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company 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 the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company/group for that period. 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for the maintenance and integrity of the Charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure of information to auditors

In so far as the trustees are aware:

- there is no relevant audit information of which the Charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

**Manchester United Foundation
(A Company Limited by Guarantee)**

Report of the Trustees for the year ended 30 June 2016 (continued)

Independent Auditors

A resolution has been proposed at the Annual General Meeting that PricewaterhouseCoopers LLP be re-appointed as auditors to the Charity for the financial year ended 30 June 2017.

On behalf of the Trustees

A handwritten signature in black ink, appearing to read 'Richard Arnold', with a stylized flourish at the end.

Richard Arnold (Trustee)

7 March 2017

Manchester United Foundation (A Company Limited by Guarantee)

Charity Number: 1118310

Company Number: 05845172

Manchester United Foundation (A Company Limited by Guarantee)

Reference and administrative details

Organisational Details

Registered Charity Number: 1118310

Registered Company Number: 05845172

Registered Office: 26 Sir Matt Busby Way, Old Trafford, Manchester, Lancashire
M16 0RA

Independent Auditors: PricewaterhouseCoopers LLP,
Chartered Accountants and Statutory Auditors, 101 Barbirolli Square,
Lower Mosley Street, Manchester, M2 3PW

Bankers: NatWest, Manchester City Centre Branch, 11 Spring
Gardens, Manchester M2 1FB

Solicitors: Brabners LLP, Horton House, Exchange Flags, Liverpool, L2 3YL

Directors and Trustees:

The directors of the charitable company ("the Charity" or "The Foundation") for the purpose of Charity law are its Trustees and throughout this report are collectively referred to as the Trustees.

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

John Arnold	(Independent)
Richard Arnold (Chairman)	
Tom Bloxham MBE	(Independent)
Virginia Buckley	(Independent)
Michael Edelson	
Eamonn Holmes	(Independent)
Denis Irwin (resigned 29 February 2016)	(Independent)
Tarun Kapur	(Independent)
David Maples	(Independent)
Lord Herman Ouseley (resigned 28 February 2016)	(Independent)
Philip Townsend (Deputy Chairman)	

Chief Executive:

John Shiels acts as Chief Executive for the Foundation.

Manchester United Foundation (A Company Limited by Guarantee)

Independent auditors' report to the members of Manchester United Foundation

Report on the financial statements

Our opinion

In our opinion, Manchester United Foundation's group financial statements and charitable company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Charitable Company's affairs as at 30 June 2016 and of the group's incoming resources and application of resources, including its income and expenditure and of the Group's and Charitable Company's cash flows 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.

What we have audited

The financial statements, included within the Annual report and financial statements (the "Annual Report"), comprise:

- the Consolidated and Charitable Company balance sheets as at 30 June 2016;
- the Consolidated statement of financial activities including an income and expenditure account for the year then ended;
- the Consolidated and Charitable Company statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Manchester United Foundation (A Company Limited by Guarantee)

Trustees' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of trustees' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the trustees were not entitled to: prepare financial statements in accordance with the small companies' regime; take advantage of the small companies' exemption in preparing the Trustees' Annual Report; and take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the trustees

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Charity's members and trustees as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

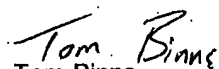
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the trustees; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the trustees' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Tom Binns

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
7 March 2017

Manchester United Foundation

(A Company Limited by Guarantee)

Consolidated Statement of Financial Activities including an Income and Expenditure Account for the Year Ended 30 June 2016

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Total 2016 £	Total 2015 £
Income and endowments from:					
- Donation and legacies	2	1,144,550	-	1,144,550	818,112
- Charitable activities	3	281,470	1,052,370	1,333,840	1,378,614
- Other trading activities	4	674,214	169,256	843,470	1,934,393
- Investments	5	12,335	-	12,335	14,417
Total		2,112,569	1,221,626	3,334,195	4,145,536
Expenditure on:					
Raising funds	6	582,880	295,440	878,320	1,672,492
Charitable activities	7	432,824	2,051,048	2,483,872	2,152,455
Total		1,015,704	2,346,488	3,362,192	3,824,947
Net income / (expense)	18	1,096,865	(1,124,862)	(27,997)	320,589
Transfers between funds		(1,124,862)	1,124,862	-	-
Net movement in funds	18	(27,997)	-	(27,997)	320,589
Reconciliation of Funds					
Total funds brought forward at 1 July		2,755,366	-	2,755,366	2,434,777
Total funds carried forward at 30 June		2,727,369	-	2,727,369	2,755,366

All incoming resources and resources expended are derived from continuing activities in the current and prior year. The notes on pages 23 to 38 form part of these financial statements.

The transfer between restricted and unrestricted funds represents the charitable funding required to deliver restricted projects to the agreed levels.

Manchester United Foundation (A Company Limited by Guarantee)

Consolidated Balance Sheet as at 30 June 2016

	Note	At 30 June 2016 £	At 30 June 2015 £
CURRENT ASSETS			
Debtors	12	685,783	475,612
Cash and cash equivalents		3,041,117	3,724,976
TOTAL CURRENT ASSETS		3,726,900	4,200,588
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
	13/14	999,531	1,445,222
NET CURRENT ASSETS		2,727,369	2,755,366
NET ASSETS		2,727,369	2,755,366
THE FUNDS OF THE CHARITY			
Restricted income funds	18	-	-
Unrestricted income funds	18	2,727,369	2,755,366
TOTAL CHARITY FUNDS	18	2,727,369	2,755,366

The notes on pages 23 to 38 form part of these financial statements.

The Financial Statements on pages 18 to 38 were approved by the Board of Trustees on 11 February 2017 and signed on its behalf by:



Richard Arnold
Trustee

7 March 2017

Manchester United Foundation (A Company Limited by Guarantee)
Charity Number: 1118310
Company Number: 05845172

Manchester United Foundation (A Company Limited by Guarantee)

Charitable Company Balance Sheet as at 30 June 2016

	Note	At 30 June 2016 £	At 30 June 2015 £
FIXED ASSETS			
Investments	11	<u>1</u>	<u>1</u>
CURRENT ASSETS			
Debtors	12	1,201,089	251,171
Cash and cash equivalents		<u>2,480,027</u>	<u>3,444,944</u>
TOTAL CURRENT ASSETS		<u>3,681,116</u>	<u>3,696,115</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13/14	<u>953,748</u>	<u>940,750</u>
NET CURRENT ASSETS		<u>2,727,368</u>	<u>2,755,365</u>
NET ASSETS		<u>2,727,369</u>	<u>2,755,366</u>
THE FUNDS OF THE CHARITY			
Restricted income funds	18	-	-
Unrestricted income funds	18	<u>2,727,369</u>	<u>2,755,366</u>
TOTAL CHARITY FUNDS	18	<u>2,727,369</u>	<u>2,755,366</u>

The notes on pages 23 to 38 form part of these financial statements.

The Financial Statements on pages 18 to 38 were approved by the Board of Trustees on 11 February 2017 and signed on its behalf by:



Richard Arnold
Trustee
7 March 2017

Manchester United Foundation (A Company Limited by Guarantee)
Charity Number: 1118310
Company Number: 05845172

Manchester United Foundation
(A Company Limited by Guarantee)

Consolidated Statement of Cash Flows for the Year Ended 30 June 2016

	Note	30 June 2016 £	30 June 2015 £
Cash flows from operating activities			
Net cash (used in) / provided by operating activities	16	(696,194)	575,506
Cash flow from investing activities			
Interest received		12,335	14,417
Net cash provided by investing activities		12,335	14,417
Net (decrease)/increase in cash and cash equivalents		(683,859)	589,923
Cash and cash equivalents at the beginning of the reporting year		3,724,976	3,135,053
Cash and cash equivalents at the end of the reporting year		3,041,117	3,724,976

Manchester United Foundation
(A Company Limited by Guarantee)

Charitable Company Statement of Cash Flows for the Year Ended
30 June 2016

	Note	30 June 2016 £	30 June 2015 £
Cash flows from operating activities			
Net cash (used in) / provided by operating activities	16	(976,364)	646,515
Cash flow from investing activities			
Interest received		11,447	14,243
Net cash provided by investing activities		11,447	14,243
Net (decrease)/increase in cash and cash equivalents		(964,917)	660,758
Cash and cash equivalents at the beginning of the reporting year		3,444,944	2,784,186
Cash and cash equivalents at the end of the reporting year		2,480,027	3,444,944

Manchester United Foundation (A Company Limited by Guarantee)

Notes to the financial statements for the year ended 30 June 2016

1. ACCOUNTING POLICIES

General information

Manchester United Foundation is a company limited by guarantee (Companies House No. 05845172) and a registered charity (Registered Charity No. 1118310). It is incorporated and domiciled in the UK. The address of its registered office is 26 Sir Matt Busby Way, Old Trafford, Manchester, Lancashire, M16 0RA.

The principal activities of the Group and Company are mentioned in the Report of the Trustees.

Statement of compliance

The consolidated and individual financial statements of Manchester United Foundation have been prepared in accordance with Accounting and Reporting financial statements 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Summary of significant accounting policies

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

Basis of preparation

These consolidated and separate financial statements are prepared on a going concern basis in accordance with historical cost convention. This is the first year in which the financial statements have been prepared under FRS 102. The date of transition to FRS 102 is 1 July 2014. Details of the transition to FRS 102 are disclosed in note 22.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in critical accounting judgements and key source of estimation uncertainty.

The Charity constitutes a public benefit entity as defined by FRS 102.

Going concern

On the basis of their assessment of the group's financial position and resources, the trustees believe that the group is well placed to manage its business risks. Therefore the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for a period of at least 12 months from the date of approving these financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Basis of consolidation

The consolidated financial statements include Manchester United Foundation and its subsidiary Manchester United Foundation (Trading) Limited, applying the acquisition method of accounting. Intra-group transactions are eliminated on consolidation. Uniform accounting policies are adopted across the group.

No profit and loss account is presented for Manchester United Foundation, as provided by section 408 of the Companies Act 2006. The gross income/turnover of the Company is £2,495,546 (2015: £2,319,970) and the result of the Company is a loss for the financial year of £44,266 (2015: loss of £592,164), determined in accordance with the Act. This result is before tax and gift aid.

Manchester United Foundation

(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 30 June 2016 (continued)

1. ACCOUNTING POLICIES (continued)

Income recognition

All income is recognised once the Charity has entitlement to the income, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income represents the amount derived from all fundraising and charitable activities and arises in the United Kingdom and overseas.

Donations Received

Donations are recognised in the financial statements where entitlement is demonstrable and are credited to Unrestricted Funds unless they are made for specific beneficiaries in which case they are credited to Restricted Funds.

Sponsorship income

Sponsorship income is recognised based on the Charity's right to the income and therefore is recognised in line with the payment schedule contained within the contract. Sponsorship income is recorded in 'Donation and legacies' and credited to Unrestricted Funds.

Grants and payment for services

Grants and payment for services (including Management Services and Charity Partner Management) are recognised when there are no external factors outside the control of the Charity that would prevent it being received, and are recognised only as deferred income when there are conditions imposed that specify the time period in which the expenditure can be made. Grant income is recorded in 'Income and endowments from Charitable activities' and 'Other trading activities'.

Bank Interest

Bank interest is recognised in the financial statements on the accruals basis, and is credited to Unrestricted Funds.

Income from Fundraising Activities

Income from fundraising events (including lotteries income) is credited to incoming resources from generated funds and costs are shown within costs of generating funds.

Tax exemption

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Resources Expended

Direct charitable expenditure comprises expenditure that is directly attributable to activities in furtherance of the Charity's objects, included on an accruals basis. Irrecoverable VAT is included within the appropriate expenditure category. The policy for including items within the following activity categories of resources expended are detailed as follows:

- Expenditure on Raising Funds: This includes the costs of the fundraising activities which include lotteries, the Charities management contract and overseas legends matches;
- Charitable activities: This includes the Hub Schools delivery, the 'Something to Chew On' healthy eating and exercise project delivered in junior schools, the community cohesion programmes and a range of smaller ad hoc community delivery projects;
- Group overheads are allocated based on the level of resources expended within each area.

Manchester United Foundation (A Company Limited by Guarantee)

Notes to the financial statements for the year ended 30 June 2016 (continued)

1. ACCOUNTING POLICIES (continued)

Gifts in Kind

Expenditure in relation to the Charity borne by Manchester United Limited has been attributed and allocated to each expenditure category according to where the Gifts in Kind were expended. The corresponding income benefit being recorded under 'Donation and legacies'. Gifts in Kind have been valued at management's estimate of the market rate of an equivalent supply.

Restricted Funds

Restricted funds held at the year-end relate to grant aided projects. The grant income has been received and is to be used for a specific purpose, according to the grant agreement. All expenditure on grant aided projects is shown as restricted funds, resulting in a deficit position at the year-end. The transfer between restricted and unrestricted funds represents the charitable funding required to deliver these projects to the agreed levels.

There are sufficient resources to comply with the stipulations of the grant agreements. All restricted funds are held as cash and cash equivalents.

Unrestricted Funds

Unrestricted funds held at the year-end relate to monies held that can be expended on any of the charitable aims of the Charity. All unrestricted funds are held as cash and cash equivalents.

Employee benefits

The Company provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

Short-term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Defined contribution pension plans

The Charity participates in The Manchester United Group Pension Scheme, a defined contribution scheme. The assets of the scheme are in a separate trustee-administered fund.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contribution payable in the year. Differences between contributions payable and actually paid are shown as either accruals or prepayments in the balance sheet.

The costs of this scheme are charged to the Statement of financial activities as incurred. The assets of the scheme are held separately from those of the Company in an independently administered fund.

Investments - company

Investment in subsidiary is held at cost less accumulated impairment losses.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

Manchester United Foundation

(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 30 June 2016 (continued)

1. ACCOUNTING POLICIES (continued)

Financial instruments

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

The Company does not hold or issue derivatives financial instruments.

Manchester United Foundation

(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 30 June 2016 (continued)

1. ACCOUNTING POLICIES (continued)

Related party transactions

The Charity has taken exemption under paragraph 33.1A of FRS 102 from disclosing transaction with wholly owned entities.

Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The Trustees do not consider there to be any areas where accounting policies or estimates are critical to the preparation of the financial statements.

Future amendments to FRS 102

Amendments to FRS 102 were issued in July 2015 as a result of changes to the EU-directives and UK Companies Regulations. The amendments are mandatory for periods beginning on or after 1 January 2016, with early adoption permitted for periods beginning on or after 1 January 2015. Entities will have to adopt and comply with all amendments if they elect to early adopt the Amendments to FRS 102 (issued in July 2015). None of these are expected to have a significant effect on the financial statements of the Company.

Manchester United Foundation (A Company Limited by Guarantee)

Notes to the financial statements for the year ended 30 June 2016 (continued)

2. DONATION AND LEGACIES INCOME

	Year to 30-Jun-16 £	Year to 30-Jun-15 £
Sponsorship	330,000	300,800
Community Shield	2,000	2,000
Other charitable donations received	472,611	8,162
Gifts in kind (Manchester United Limited)	339,939	507,150
	1,144,550	818,112

Donation and legacies are wholly unrestricted. The significant reduction in Gifts in Kind during the year is due to the hire of the stadium for the Red Heart United game in June 2015.

3. CHARITABLE ACTIVITIES INCOME

	Unrestricted Funds £	Restricted Funds £	Year to 30-Jun-16 £	Year to 30-Jun-15 £
Football	6,578	89,157	95,735	88,654
Community cohesion	-	166,411	166,411	183,845
Education – Something to Chew On	-	39,011	39,011	36,064
Education – School hubs	-	398,969	398,969	442,800
Education – School sport	-	91,891	91,891	75,000
Education – Other	198,613	93,098	291,711	320,525
Premier League 4 Sport	-	75,000	75,000	75,667
Other grants and income	76,279	98,833	175,112	156,059
	281,470	1,052,370	1,333,840	1,378,614

Manchester United Foundation

(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 30 June 2016 (continued)

4. OTHER TRADING ACTIVITIES INCOME

	Year to 30-Jun-16 £	Year to 30-Jun-15 £
Lotteries	316,272	266,113
Auction proceeds	105,284	109,000
Fundraising lunches	-	126,213
Treks	3,802	32,906
Charity partner management	149,256	141,933
Red Heart United	29,003	1,198,836
Overseas Legends matches	178,443	-
Other activities	61,410	59,392
	843,470	1,934,393

Charity partner management income of £149,256 (2015: £141,933), payable by Manchester United Limited, are restricted funds relating to management of the Club's Charity partners. A further £nil (2015: £77,500) within Fundraising Lunches is also treated as restricted funds given to specifically support our community cohesion work. A further £20,000 for Unicef donation (2015: £10,000) within Other activities is also treated as restricted funds

5. INVESTMENTS

	Year to 30-Jun-16 £	Year to 30-Jun-15 £
Investment income received on cash deposits	12,335	14,417

Investment income is wholly unrestricted.

6. RAISING FUNDS EXPENDITURE

	Unrestricted funds £	Restricted Funds £	Year to 30-Jun-16 £	Year to 30-Jun-15 £
Staff costs	168,144	150,339	318,483	299,426
Group overhead apportionment	290,089	72,830	362,919	318,537
Departmental overheads	56,536	30,171	86,707	638,454
Gifts in Kind	68,111	42,100	110,211	416,075
	582,880	295,440	878,320	1,672,492

The significant reduction in 'Departmental overheads' and 'Gifts in kind' largely relates to the Red Heart United legends game, which is a biennial event, that took place in June 2015. Due to the transition to FRS102, the allocation of group overheads, governance costs and gifts in kind have been amended to reflect where the resources were expended.

Manchester United Foundation (A Company Limited by Guarantee)

Notes to the financial statements for the year ended 30 June 2016 (continued)

7. CHARITABLE ACTIVITIES EXPENDITURE

	Unrestricted Funds £	Restricted Funds £	Year to 30-Jun-16 £	Year to 30-Jun-15 £
Football	8,192	265,226	273,418	279,621
Community Cohesion	-	444,815	444,815	385,557
Education – Something to Chew On	-	46,951	46,951	34,206
Education – School Hubs	-	832,071	832,071	548,993
Education – School Sport	-	139,088	139,088	100,700
Education – Other	380,363	86,097	466,460	583,688
Premier League 4 Sport	-	127,759	127,759	122,224
Other community delivery	44,269	109,041	153,310	97,465
	432,824	2,051,048	2,483,872	2,152,455

Included in the above are direct costs, overhead apportionment, and staff costs relating to charitable activities. Overheads have been apportioned on the estimated value of services/goods consumed in each area. Due to the transition to FRS102, the allocation of group overheads, governance costs and gifts in kind have been amended to reflect where the resources were expended.

Manchester United Foundation

(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 30 June 2016 (continued)

8. TAX

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes. The following tax assessment therefore is in respect of Manchester United Foundation (Trading) Limited, the Company's subsidiary undertaking.

The tax assessed for the year is the same as (2015: the same as) that resulting from applying the standard effective rate of corporation tax in the UK for the year ended 30 June 2016 of 20% (2015: 20%).

The differences are explained below:

	B/f per accounts £	Credited to Equity £	Charged/ (credited) to I&E £	C/f per accounts £
Current tax:				
Corporation tax payable				
Current year	-	(3,254)	3,254	-
	-	(3,254)	3,254	-
			Year to 30-Jun-16 £	Year to 30-Jun-15 £
Current tax:				
UK Corporation tax on profits for the year			3,254	182,551
Total current tax			3,254	182,551
Total tax per income & expenditure account			3,254	182,551
Equity items:				
Current tax			(3,254)	(182,551)
			Year to 30-Jun-16 £	Year to 30-Jun-15 £
Profit for the year - continuing operations			16,269	912,754
Tax on profit at standard UK tax rate of 20% (2015: 20%)			3,254	182,551
Current tax charge for the year			3,254	182,551

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020.

Manchester United Foundation (A Company Limited by Guarantee)

Notes to the financial statements for the year ended 30 June 2016 (continued)

9. TOTAL WAGES AND SALARIES

A bonus (included within Wages and salaries below) of £81,500 (2015: £81,500) relates to a discretionary bonus paid to Foundation staff by Manchester United Limited and is included in the Gifts in Kind figure within the relevant expenditure category.

	Year to 30-Jun-16 £	Year to 30-Jun-15 £
Wages and salaries	1,847,401	1,740,492
Social security costs	142,665	143,693
Other pension costs (note 20)	121,644	97,678
	2,111,710	1,981,863

Monthly average number of employees in the year:

	2016 Number	2015 Number
Operational Employees	54	41

The employee numbers noted above relate to staff on contracts, not casual terms of engagement.

Key management compensation

Key management includes the members of senior management. The compensation paid or payable to key management for employee services is shown below:

	Year to 30-Jun-16 £	Year to 30-Jun-15 £
Salaries and other short-term benefits	319,527	267,502
	319,527	267,502

The number of higher paid employees was:

	2016 Number	2015 Number
£70,000 - £80,000	1	-
£90,000 - £100,000	1	1

Total pension contribution for the members of staff earning in excess of £60,000 was £16,584 (2015: £15,943).

Manchester United Foundation (A Company Limited by Guarantee)

Notes to the financial statements for the year ended 30 June 2016 (continued)

10. TRUSTEES' EXPENSES

The total expenses of the trustees were £1,021 (2015: £4,343). None of the trustees received any remuneration during the year. Two (2015: two) trustees were reimbursed travel expenses to attend trustees' meetings.

11. INVESTMENTS

	2016 £	2015 £
Charity		
Investment in subsidiary	1	1

The Charity owns the entire share capital of Manchester United Foundation (Trading) Limited ("the company"). The Company has an issued share capital of one ordinary share of £1 and was incorporated in England on 13 June 2006 (Registration Number 05750031).

The main activities of Manchester United Foundation (Trading) Limited include match day lotteries, a service contract managing the charity partners of Manchester United Football Club and various fundraising projects e.g. golf day, overseas legends match.

A summary of the balance sheet and profit and loss account for Manchester United Foundation (Trading) Limited is as follows:

	2016 £	2015 £
Total assets	581,334	560,071
Total liabilities	(581,333)	(560,070)
Net assets	1	1

	Year to 30-Jun-16 £	Year to 30-Jun-15 £
Turnover	838,648	1,825,566
Expenditure	(822,379)	(912,812)
Profit on ordinary activities (before taxation and Gift Aid donation to the Charity)	16,269	912,754

Manchester United Foundation

(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 30 June 2016 (continued)

12. DEBTORS

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	76,253	229,415	66,011	146,892
Amount owed by group undertakings	-	-	536,549	55,598
Other debtors	609,530	246,197	598,529	48,681
	685,783	475,612	1,201,089	251,171

The trade debtor balance owing by Manchester United Limited at 30 June 2016 was £4,410 (2015: £50,640). Within other debtors is accrued income of £530,188 (2015: £191,439) in respect of donations from Manchester United Limited from the Player of the Year Awards and Soccer Aid. The amounts owed by group undertakings are unsecured, interest free, and repayable on demand. The Trustees consider the carrying value of trade and other debtors to be the same as the book value due to their short term nature.

13. TRADE AND OTHER CREDITORS

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	15,388	350,228	14,388	205,006
Other creditors	7,219	2,314	7,219	2,314
	22,607	352,542	21,607	207,320

The trade creditor balance payable to Manchester United Limited at 30 June 2016 was £2,974 (2015: £224,928). The Trustees consider the carrying value of trade and other creditors to be the same as the book value due to their short term nature.

14. ACCRUALS AND DEFERRED INCOME

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Deferred Income				
Education – School hubs	92,917	63,664	92,917	63,664
Community Cohesion	15,083	17,333	15,083	17,333
Sponsorship	360,000	330,000	360,000	330,000
Other Deferred Income	54,600	169,417	54,600	53,162
	522,600	580,414	522,600	464,159
Accruals	454,324	512,266	409,541	269,271
	976,924	1,092,680	932,141	733,430

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Notes to the financial statements for the year ended 30 June 2016 (continued)

14. ACCRUALS AND DEFERRED INCOME (continued)

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Deferred Income at the beginning of the year	580,414	219,043	464,159	219,043
Amounts released from previous years	(580,414)	(197,043)	(464,159)	(197,043)
Incoming resources deferred in the current year	522,600	558,414	522,600	442,159
Deferred Income at the end of the year	522,600	580,414	522,600	464,159

Deferred Income, in both the Group and Charity, represents income from services not yet delivered.

15. FINANCIAL INSTRUMENTS

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Financial assets that are debt instruments measured at amortised cost:				
Trade debtors	76,253	229,415	66,011	146,892
Other debtors	609,530	246,197	598,529	55,598
Amounts owed by group undertakings		-	536,549	48,681
Cash and cash equivalents	3,041,117	3,724,976	2,480,027	3,444,944
	3,726,900	4,200,588	3,681,116	3,696,115
Financial liabilities measured at amortised cost				
Trade creditors	15,388	350,228	14,388	205,006
Other creditors	7,219	2,314	7,219	2,314
Accruals	454,324	512,266	409,541	269,271
	476,931	864,808	431,148	476,591

Manchester United Foundation (A Company Limited by Guarantee)

Notes to the financial statements for the year ended 30 June 2016 (continued)

16. RECONCILIATION OF NET INCOME/ (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(27,997)	320,589	(27,997)	320,590
Adjustments for:				
Interest receivable	(12,335)	(14,417)	(11,447)	(14,243)
(Increase)/decrease in debtors	(210,171)	(133,670)	(949,918)	331,257
(Decrease)/increase in creditors	(445,691)	403,004	12,998	8,912
Net cash (used in)/provided by operating activities	(696,194)	575,506	(976,364)	646,516

17. STATUS OF THE GUARANTEE

The company is limited by guarantee and has no share capital. The liability of the trustees as members is limited by guarantee to not more than £1.

18. MOVEMENT OF FUNDS

	Unrestricted income funds	Restricted income funds	Total Charity Funds
	£	£	£
Group and Charity			
Total funds brought forward at 1 July 2015	2,755,366	-	2,755,366
Net incoming/(outgoing) resources before transfers	1,096,865	(1,124,862)	(27,997)
Gross transfers between funds	(1,124,862)	1,124,862	-
Total funds carried forward at 30 June 2016	2,727,369	-	2,727,369

All expenditure on grant aided projects is shown within restricted funds, resulting in a deficit position at the year-end. The transfer between restricted and unrestricted funds represents the charitable funding required to deliver these projects to the agreed levels.

19. ULTIMATE CONTROLLING PARTY

The ultimate parent undertaking and controlling party of the Charity are its Trustees.

Manchester United Foundation

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Notes to the financial statements for the year ended 30 June 2016 (continued)

20. PENSIONS

The Charity participates in The Manchester United Group Pension Scheme, a defined contribution scheme. The assets of the scheme are in a separate trustee-administered fund. The cost recognised in the year in the Statement of financial activities is equal to the contributions payable to the scheme for the year and they total £121,644 (2015: £97,678). The amounts outstanding at the year-end are £9,882 (2015: £7,859).

21. RELATED PARTY TRANSACTIONS

The Charity has taken the exemption under paragraph 33.1A of FRS 102 from disclosing transaction with wholly owned entities.

Refer to Report of the Trustees for transactions with other related parties.

22. TRANSITION TO FRS 102

This is the first year that the Group and Charity has presented its results under FRS 102. The last financial statements prepared under UK GAAP were for the year ended 30 June 2015. The date of transition to FRS 102 is 1 July 2014.

In preparing the financial statements, the trustees have considered whether applying the accounting policies required by FRS 102 and Charities SORP (FRS 102) required a restatement of comparative items.

There are no changes in accounting policies for the financial year ended 30 June 2015 and the total funds as at 1 July 2014 and 30 June 2015 between UK GAAP as previously reported and under FRS 102. Due to the transition to FRS 102, management have amended the allocation of group overheads, governance costs and gifts in kind to reflect where the resources have been expended. The underlying profit/(loss) remains the same.

Transition exemptions

The Group and Charity has not taken any transition exemption available under FRS 102 in preparing its first financial statements under FRS 102.

Statement of cash flows

The Group's statement of cash flows reflects the presentation requirements of FRS 102, which are different to that prepared under FRS 1. In addition the statement of cash flows reconciles to cash and cash equivalents whereas under previous UK GAAP the statement of cash flows reconciled to cash. Cash and cash equivalents are defined in FRS 102 as 'cash on hand and demand deposits and short term convertible to known amounts of cash and that are subject to an insignificant risk of changes in value whereas cash is defined in FRS 1 as 'cash in hand and deposits repayable on demand with any qualifying institution, less overdrafts from any qualifying institution repayable on demand'. The FRS 1 definition is more restrictive.

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Notes to the financial statements for the year ended 30 June 2016 (continued)

23. ANALYSIS OF NET ASSETS

Group

Fund balances at 30 June 2016 are represented by:

	Unrestricted £	Restricted £	Total £
Current Assets	3,671,366	55,534	3,726,900
Creditors: amounts falling due within one year	(519,856)	(479,675)	(999,531)
	3,151,510	(424,141)	2,727,369

Charity

Fund balances at 30 June 2016 are represented by:

	Unrestricted £	Restricted £	Total £
Current Assets	3,635,583	45,534	3,681,117
Creditors: amounts falling due within one year	(460,420)	(493,328)	(953,748)
	3,175,163	(447,794)	2,727,369