



MILLFIELD FOUNDATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended

31 August 2022

Company number: 06370560
Registered Charity Number: 1121630

MILLFIELD FOUNDATION

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MILLFIELD FOUNDATION

REPORT OF THE TRUSTEES

The Trustees present their Annual Report and Financial Statements for the year ended 31 August 2022 and confirm that they comply with the requirements of the Charities Act 2011, the Companies Act 2006, and the Charities SORP FRS 102.

The Trustees confirm that the financial statements comply with the charity's governing document, with current statutory requirements, with applicable accounting standards in the United Kingdom, and with the Charities Statement of Recommended Practice (FRS 102) – Second Edition. The Trustees and Advisors are set out on page 21.

REVIEW OF THE YEAR

Principal Achievements and Performance

Fundraising

The charity does not directly engage in fundraising activities, but engages Millfield School to develop relationships with donors who are current and past parents, former pupils and friends of Millfield School. In pursuing its objectives during the period, the charity received donation income of £593,389 (2021: £378,692), which was comprised of net donations of £557,740 (2021: 367,428) and associated gift aid of £35,649 (2021: £11,264).

Investments

The charity held investments at year end of £4,276,466 (2021: £4,445,254). The Trustees aim to hold a balanced portfolio of assets that will achieve returns in excess of the Consumer Price Inflation index ("CPI") + 3% over a rolling 6 year period, without exposing the Charity to excessive risk. One of the Trustees' responsibilities is to ensure the prudent management and investment of the Charity's assets. The day-to-day management of the Charity's investment portfolio has been delegated to Rathbone Investment Management Limited and Waverton Investment Management Limited, who the Trustees monitor on a regular basis.

The Trustees have determined that the principal risks and uncertainties relevant to the financial performance of the Charity are those relating to preservation of capital and investment performance. In response to this assessment, the Trustees have approved a Statement of Investment Principles ("Investment Policy Statement"), the main purpose of which is to set details of the investment strategy, the trustees' investment objectives and their attitude to risk.

The investments are held in a range of securities and pooled funds at the discretion of the investment managers. The custody of the underlying assets in which the Charity invests is the responsibility of the investment managers. The Trustees do not have any direct relationship with the custodians and consider that adequate controls are in place to secure the safe custody of the Scheme's assets.

The investments generated income of £84,247 (2021: £80,774) for the year, but suffered a net loss on revaluation at year end of £227,528 (2021: £543,623 gain). This deterioration was mainly due to adverse stock market conditions caused by inflation and interest rates rising more than anticipated. The value and allocation of the Charity's investments as at 31 August 2022 and 2021 are:

Investment Manager	2022		2021	
	£	%	£	%
Rathbone Investment Management Limited	918,492	21.5%	1,017,733	22.9%
Waverton Investment Management Limited	3,357,974	78.5%	3,427,521	77.1%
	4,276,466	100.0%	4,445,254	100.0%

Grant Disbursements

The Trustees made grants of individual bursaries to pupils of Millfield during the year of £206,871 (2021: £136,954). These grants supported 10 pupils (2021: 8 pupils).

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FUTURE PLANS

During the financial year, the Charity benefitted from the appointment of a Head of Foundation by Millfield School, whose primary role is to generate fundraising income to grow our endowment fund from which the Charity aims to support more pupils in financial need. The success of Millfield Giving Day in 2021 & 2022 has led to this becoming an annual fundraising initiative and going forward will be complimented by additional fundraising activities across multiple income streams, all of which, are aimed at existing and prospective donors based in the UK and overseas. Our fundraising strategy will be underpinned by significantly increasing our engagement with Old Millfieldians and parents (past and present) around the world, and by utilising our inaugural 'Case for Support', which clearly outlines our heritage of philanthropy, the need and how the wider Millfield community can provide their support.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

Millfield Foundation is a charitable company limited by guarantee, which was incorporated on 13 September 2007. The governing documents of the Charity are its Memorandum and Articles of Associations adopted on incorporation and applied throughout the year ending 31 August 2022.

New Articles of Association were adopted, by a special resolution on 23 August 2022, effective 1 September 2022. These Articles provide that the majority of Trustees holding office at any one time are nominated by Millfield School which is a separate charity (registered charity number: 310283) and also a separate company (company registration no. 522385).

Group Structure and Relationships

The Charity receives donations to enable it to grant scholarships and bursaries to current and prospective pupils of Millfield Schools. These donations are received directly or indirectly via the fundraising activities of Millfield Schools. Investments are made through appropriately qualified Investment Managers. Grants of scholarships and bursaries are made from restricted or unrestricted funds complying with stipulated requirements.

Investment Powers, Policy and Performance

There are no specific restrictions on the Trustees investment powers, subject to taking advice from a reasonably qualified person and where investment decisions are delegated, to ensure the delegate is authorised to carry on investment business under the provisions of the Financial Services and Markets Act 2000.

Trustee Board

The Trustee Board is comprised of Appointed Trustees nominated by Millfield School and Co-opted Trustees appointed by the Trustee Board. Trustees are usually appointed for a 3 year term of office. Retiring Trustees are eligible for re-appointment to a maximum of 3 consecutive terms. The Trustee Board seeks to have an appropriate balance of age, gender and ethnicity.

Governor training

The Trustee Board recognises that new Trustees must feel confident that they are equipped to meet their statutory and wider legal responsibilities and appropriate courses and information is made available to them through the Clerk to the Trustees.

Organisational management

The Trustees are legally responsible for the overall management and control of the Charity, including policy setting and strategic planning.

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The detailed work of the Trustees is delegated to four committees, each of which operates under terms of reference which are approved by the Trustee Board, and which are required to report to the Trustee Board on a regular basis.

- Audit, Compliance and Risk Committee
- Finance & Investment Committee
- Nominations Committee
- Joint Fundraising Sub-Committee (with Millfield School)

In addition to the committees, certain members of the Trustee Board also act as Governors for Millfield School.

The day to day running of the Charity's fundraising and administration activities is delegated to the Headmaster of Millfield, the Headmaster of Millfield Prep School, the Finance Director of Millfield Schools, ("the Executive Group"), as key management personnel, who in turn are supported by the Head of Foundation and other members of the Senior Leadership Teams ("SLT"). The Heads and Finance Director attend meetings of the Charity's Trustee Board. The management of investments is delegated to third party investment managers, currently Rathbone Investment Management Limited and Waverton Investment Management Limited, who the Trustees monitor on a regular basis.

Employee involvement

The Charity does not have any employees. Fundraising is managed by Millfield School and investment is delegated to Rathbone Investment Management and Waverton Investment Management Limited.

OBJECTIVES AND ACTIVITIES

Charitable Objects

The Charity's principal activity is:

- The advancement of education through the provision of scholarships to current and prospective pupils of any school operated by or otherwise associated with Millfield whose parents or guardians are in need of financial assistance; and
- The promotion of such other purposes being exclusively charitable according to the law of England and Wales as the Trustees may from time to time determine.

The Charity works with Millfield School, third party investment managers and donors to build a sustainable endowment fund for the provision of scholarships and bursaries. The ability to grow this provision is significantly affected by the success of fundraising initiatives undertaken by Millfield School and the ability of delegated investment managers in growing the value of fixed asset investments. In setting the Charity's objectives and planning activities, the Trustees have given due regard to the latest guidance on public benefit published by the Charity Commission.

FINANCIAL REVIEW

For the financial year ended 31 August 2022 Millfield Foundation generated Net Income before (losses)/gains on investments of £428,578 (2021: £277,594). The improvement of £150,984 is a result of increased income of £218,623, driven largely by an increase in donation income of £214,697, offset by an increase in expenses of £67,639 (mainly due to increased grants of £69,917). There was a loss on investment assets of £227,528 incurred (2021: £543,623 gain) during the year. This deterioration was mainly due to adverse stock market conditions caused by inflation and interest rates rising more than anticipated. Net Income of £201,050 (2021: £821,217) represents a decline of £620,167 on the previous period. This arises from the adverse movement in investments assets of £771,151, offset by the improvement of £150,984 in Net Income before gains/ (losses) explained above.

The reserves of the Charity increased by Net Income of £201,050 to £4,825,053 at 31 August 2022 (2021: £4,624,003) and represent both unrestricted funds £1,474,024 (2021: £1,151,732) and restricted funds £3,351,029 (2021: £3,472,271). The reserves are held in order to fund the future activities of the Charity. These funds are to be used to provide scholarships or bursaries to pupils where there is a financial need as follows:

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	<u>Name of Fund</u>	<u>Current Value</u> <u>£</u>	<u>Beneficiaries Targeted</u>
(A)	Restricted Funds		
1.	The Erika Olde Scholarship Fund	762,379	Talented dyslexic pupils
2.	The RJOM Fund	516,293	Children of Old Millfieldians
3.	The Guy Bennett Scholarship Fund	895,821	Pupils displaying exceptional talent in the arts
4.	The PMJ Fund	202,500	All round scholarships for 6 th Form academically able pupils with other talents – leadership qualities, music, drama, art & sport
5.	The Tom Maynard Fund	7,271	Pupils displaying exceptional talent in the sport of cricket
6.	The Holmcroft Scholarship Fund	145,841	Pupils boarding in Holmcroft House at Millfield
7.	The St Anne's Scholarship Fund	46,141	Pupils boarding in St Anne's House at Millfield
8.	The Gallifrey Scholarship Fund	7,430	Talented 6 th Form pupils
9.	The Sir Gareth Edwards Rugby Scholarship Fund	135,529	Annual scholarship for rugby playing pupils
10.	The Sumner Fund	630,815	Female pupils with a bias towards science and who otherwise would not afford the fees
11.	Tyrone Mings Scholarship Fund	1,009	Pupils displaying exceptional talent in the sport of football
	Restricted Funds total	3,351,029	
(B)	Unrestricted Funds total	1,474,024	Scholarships and bursaries at the Trustees' discretion
(C)	Total Funds	4,825,053	

The reserves of the Charity are detailed in the Balance Sheet on page 10 of these financial statements. Broadly, they are made up of Fixed Asset Investments of £4,276,466 (2021: £4,445,254) and Net Current Assets of £548,587 (2021: £178,749).

The performance of the Fixed Asset Investments of £4,276,466 (2021: £4,445,254) is outlined below:

- The value of the investment managed by Waverton Investment Management Ltd at 31 August 2022 was £3,357,974 (2021: £3,427,521). The investment portfolio had net loss on revaluation of £119,428 (2021: gain of £428,866) and yielded investment income of £65,594 (2021: £73,342) during the period.
- The value of the investment managed by Rathbone Investment Management Ltd at 31 August 2022 was £918,492 (2021: £1,017,733). The investment portfolio had net loss on revaluation of £108,101 (2021: gain of £114,757) and yielded investment income of £17,495 (2021: £7,432) during the period.

Fundraising

The Charity benefits from the fundraising and administration services provided by Millfield School. Fundraising is conducted through the School's foundation office which seeks donations from former students, parents and other members of the School community. The School complies with the Fundraising Regulator's code of practice and seeks to build positive long-term relationships with potential donors.

Reserves

The Trustees' policy is to examine the needs, risks and challenges faced by the Charity in both the short and medium term along with relevant financial forecasts to consider whether the reserves are sufficient to meet requirements.

Reserves as at 31 August:

	Note	2022 £	2021 £
Total Funds	11	4,825,053	4,624,003
Less: Restricted Funds		(3,351,029)	(3,472,271)
Unrestricted Funds and Free Reserves		1,474,024	1,151,732

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Free Reserves:

The Trustees note there are free reserves of £1,474,024 (2021: £1,151,732) and expect these will continue to grow with the ongoing fundraising work to generate donation income combined with positive investment returns.

Restricted Funds:

The restricted funds comprise donations earmarked by the donors, or the terms of an appeal, for specific purposes. Restrictions are legally binding on the Trustees.

The Trustees do not envisage there being any difficulty in meeting current and/or future obligations of the Charity and note there is no financial dependence on key donors.

Trustees' Responsibilities Statement

The Trustees (who are also directors of Millfield Foundation for the purposes of Company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees have referred to the guidance in the Charity Commission's general guidance on Public Benefit when reviewing the Foundation's aims and objectives and in planning the Foundation's future activities. In particular, the Trustees have considered how planned activities will contribute to the aims and objectives they have set.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

The Report was approved by the Trustee Board of Millfield Foundation on 16 March 2023 and signed on its behalf by:



W J BUSHELL - DIRECTOR

MILLFIELD FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MILLFIELD FOUNDATION

Opinion

We have audited the financial statements of Millfield Foundation for the year ended 31 August 2022 which comprise the Statement of Financial Activities, Balance Sheet and Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of the charitable company's net movement in funds, including the income and expenditure, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MILLFIELD FOUNDATION

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees (which includes the Directors' report prepared for the purposes of Charity law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report which is included within the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees (which incorporates the Directors' Report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Report of the Trustees and from the requirement to prepare a strategic report.

Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on page 5, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to Charity law, fundraising regulations and GDPR, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MILLFIELD FOUNDATION

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inappropriate journal entries to income. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulator;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities; and
- Identifying and testing journals.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Tracey Young (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

.....29 March.....2023

MILLFIELD FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted Funds 12 months ended 31/08/22	Restricted Funds 12 months ended 31/08/22	Total Funds 12 months ended 31/08/22	Total Funds 12 months ended 31/08/21
INCOME FROM:					
Donations	4	478,158	115,231	593,389	378,692
Investments	4	21,493	63,219	84,712	80,786
TOTAL INCOME		<u>499,651</u>	<u>178,450</u>	<u>678,101</u>	<u>459,478</u>
EXPENDITURE ON:					
Costs of raising funds		(6,458)	(19,761)	(26,219)	(35,456)
Grant disbursements		(144,839)	(62,032)	(206,871)	(136,954)
Governance & administration costs		(16,433)	-	(16,433)	(9,474)
TOTAL EXPENDITURE	5	<u>(167,730)</u>	<u>(81,793)</u>	<u>(249,523)</u>	<u>(181,884)</u>
NET INCOME BEFORE GAINS/(LOSSES) ON INVESTMENTS		<u>331,921</u>	<u>96,657</u>	<u>428,578</u>	<u>277,594</u>
(Loss)/ gain on investment assets	7	<u>(47,977)</u>	<u>(179,551)</u>	<u>(227,528)</u>	<u>543,623</u>
NET INCOME/(LOSS)		<u>283,944</u>	<u>(82,894)</u>	<u>201,050</u>	<u>821,217</u>
TRANSFER	11	38,348	(38,348)	-	-
NET MOVEMENTS IN FUNDS		<u>322,292</u>	<u>(121,242)</u>	<u>201,050</u>	<u>821,217</u>
RECONCILIATION OF FUNDS					
Total funds brought forward at 1 September 2021(as restated)	11	1,151,732	3,472,271	4,624,003	3,802,786
TOTAL FUNDS CARRIED FORWARD AT 31 AUGUST 2022		<u>1,474,024</u>	<u>3,351,029</u>	<u>4,825,053</u>	<u>4,624,003</u>

The results for the period derive from continuing activities and there are no gains or losses other than those shown above.

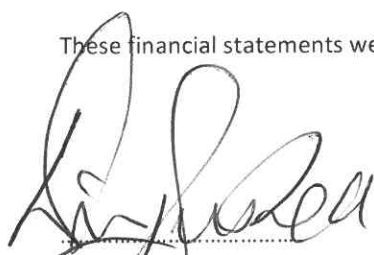
The notes on pages 12 to 20 form part of these financial statements.

MILLFIELD FOUNDATION

BALANCE SHEET AT 31 AUGUST 2022

	Note	Total Funds As at 31/08/2022		Total Funds As at 31/08/2021 (as restated)	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		-		-
Investments	7		4,276,466		4,445,254
CURRENT ASSETS					
Debtors	8	485,083		96,177	
Cash at bank and in hand		<u>84,304</u>		<u>98,104</u>	
		569,387		194,281	
CREDITORS					
Amounts falling due within one year	9	<u>(20,800)</u>		<u>(15,532)</u>	
NET CURRENT ASSETS			<u>548,587</u>		<u>178,749</u>
NET ASSETS	10		<u>4,825,053</u>		<u>4,624,003</u>
CHARITY FUNDS					
Restricted income funds			3,351,029		3,472,271
Unrestricted income funds			<u>1,474,024</u>		<u>1,151,732</u>
TOTAL CHARITY FUNDS	11		<u>4,825,053</u>		<u>4,624,003</u>

These financial statements were approved by the Trustees on 16 March 2023 and signed on their behalf by:



W J BUSHELL
Trustee

The notes on pages 12 to 20 form part of these financial statements.

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**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022**

		12 months ended 31/08/2022 £	14 months ended 31/08/2021 £
Cash flow from operating activities	Note		
Net income for period		201,050	821,217
Adjustment to cash flows from non-cash items:			
Investment income		(84,712)	(80,774)
Loss / (gain) on foreign exchange differences		(5,480)	2,494
Net loss / (gain) on revaluation		227,528	(543,623)
Working Capital adjustments:			
(Increase) in debtors		(388,906)	(76,205)
Increase / (Decrease) in creditors		<u>5,268</u>	<u>(8,706)</u>
Net cash flow from operating activities		<u>(45,252)</u>	<u>114,403</u>
Cash flow from investing activities			
Payments to acquire investments		(1,330,623)	(1,311,236)
Receipts from sales of investments		<u>1,125,246</u>	<u>492,577</u>
Net cash flow from investing activities		<u>(205,377)</u>	<u>(818,659)</u>
Cash flow from financing activities			
Investment income		<u>84,712</u>	<u>80,774</u>
Net cash flow from financing activities		<u>84,712</u>	<u>80,774</u>
Net (decrease) in cash and cash equivalents		(165,917)	(623,482)
Cash and cash equivalents at 1 September 2021		<u>398,950</u>	<u>1,022,432</u>
Cash and cash equivalents at 31 August 2022		<u>233,033</u>	<u>398,950</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		84,304	98,104
Short term deposits	7	<u>148,729</u>	<u>300,846</u>
Cash and cash equivalents at 31 August 2022		<u>233,033</u>	<u>398,950</u>

The notes on pages 12 to 20 form part of these financial statements.

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

GENERAL INFORMATION

The Charity is a company limited by guarantee, incorporated in England & Wales, and consequently does not have a share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of the Charity being wound up. The address of the Registered Office is provided on page 21 of these financial statements.

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within these accounts.

1.1. BASIS OF PREPERATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and the UK Generally Accepted Accounting Practice.

The Charity constitutes a public benefit entity as defined by FRS102.

The effects of events in relation to the year ended 31 August 2022 which occurred before the date of approval of the financial statements by the Trustee Board, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 31 August 2022 and of the results for the year ended on that date.

The Trustees have reviewed the Charity's expectations and intentions for the next 12 months and they consider that the current and future sources of funding or support will be more than adequate for the Charity's needs. The Trustees have therefore adopted the going concern basis of accounting.

The financial statements are presented in sterling which is the functional currency of the Charity and rounded to the nearest £1. The financial statements are prepared for the year ended 31 August 2022. The comparative figures are for 14 months ended 31 August 2021.

1.2. INCOME

Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable.

Donated services and facilities are included at the value to the Charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

Incoming resources from charitable trading activities such as fundraising events, are accounted for when earned.

1.3. EXPENDITURE

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries.

MILLFIELD FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity including direct and related support costs.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource.

1.4. TANGIBLE FIXED ASSETS AND DEPRECIATION

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose is:

	Straight Line Basis %
Website	20

1.5. FIXED ASSETS INVESTMENTS

Fixed assets investments in quoted shares, traded bonds and similar investments are initially measured at cost and subsequently at fair value at the reporting date. Investment gains and losses, whether realised or unrealised, are combined and reported within the Statement of Financial Activities.

1.6. INTEREST RECEIVABLE

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

1.7. FINANCIAL INSTRUMENTS

The Charity only has financial assets and financial liabilities of a kind that qualifies as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.8. FUND ACCOUNTING

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Restricted income funds are funds subject to a specific trust declared by the donor(s). They are expendable at the discretion of the Trustees in furtherance of the particular purpose of that Fund.

As of 1 September 2021, the Charity moved £69,555 from Discover Brilliance Fund (restricted fund) into general fund (unrestricted funds) as donations have the same purpose as per the Charity objectives: to provide scholarships and bursaries. As a result, the balance of restricted funds on 1 September 2021 decreased by £69,555 and the balance of unrestricted funds increased by £69,555. As of 26 January 2022, the Charity has moved £38,348 from The T N Fund (restricted fund) into unrestricted funds as donations to this fund were no longer subject to any specific restrictions.

1.9. DEBTORS

Trade and other debtors are recognised at the settlement value due less provision required for bad or doubtful debts.

1.10. CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due can be measured reliably. Creditors and provisions are normally recognised at their settlement amount allowing for any trade discounts due.

1.11. CASH AT BANK AND IN HAND

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

MILLFIELD FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

2. TAXATION

The company is a registered Charity and as such is entitled to tax exemptions on income and gains properly applied for its charitable purposes.

3. NET INCOME

	Unrestricted General Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Net income is stated after charging:				
Fees payable to auditors: Audit Fee	9,600	-	9,600	9,600
Accountancy Fee				6,000

4. ANALYSIS OF INCOME

	Unrestricted General Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
a. Donations				
Donations received	454,000	103,740	557,740	367,428
Gift aid received	24,158	11,491	35,649	11,264
	<u>478,158</u>	<u>115,231</u>	<u>593,389</u>	<u>378,692</u>
b. Investments				
Investment income	21,028	63,219	84,247	80,774
Interest Received	465	-	465	12
	<u>21,493</u>	<u>63,219</u>	<u>84,712</u>	<u>80,786</u>

PRIOR YEAR ANALYSIS OF INCOME

	Unrestricted General Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
a. Donations				
Donations received	115,653	251,775	367,428	472,324
Gift aid received	1,891	9,373	11,264	126,250
	<u>117,544</u>	<u>261,148</u>	<u>378,692</u>	<u>598,574</u>
b. Investments				
Investment income	18,857	61,917	80,774	56,123
Interest Received	12	-	12	150
	<u>18,869</u>	<u>61,917</u>	<u>80,786</u>	<u>56,273</u>

MILLFIELD FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

5. TOTAL RESOURCES EXPENDED

	Grant Disbursements	Costs of raising funds	Governance & Admin Costs	Total Expenditure	Total Expenditure
	2022 £	2022 £	2022 £	2022 £	2021 £
Grant Disbursements					
Provision of individual bursaries	206,871			206,871	136,954
Investment management					
Investment management fees		31,699		31,699	32,962
Loss/(gain) on foreign exchange fees		(5,480)		(5,480)	2,494
Governance & Administration					
Accountancy fees			6,600	6,600	6,000
Audit fees			9,600	9,600	3,000
Bank charges			69	69	109
Professional fees			164	164	365
	<u>206,871</u>	<u>26,219</u>	<u>16,433</u>	<u>249,523</u>	<u>181,884</u>

PRIOR YEAR TOTAL RESOURCES EXPENDED	Grant Disbursements	Costs of raising funds	Governance & Admin Costs	Total Expenditure	Total Expenditure
	2021 £	2021 £	2021 £	2021 £	2020 £
Grant Disbursements					
Provision of individual bursaries	136,954			136,954	137,404
Investment management					
Investment management fees		32,962		32,962	20,029
Loss/(gain) on foreign exchange fees		2,494		2,494	
Governance & Administration					
Accountancy fees			6,000	6,000	4,725
Audit fees			3,000	3,000	1,800
Bank charges			109	109	76
Trustee's Insurance					600
Professional fees			365	365	164
	<u>136,954</u>	<u>35,456</u>	<u>9,474</u>	<u>181,884</u>	<u>164,798</u>

MILLFIELD FOUNDATION

6. TANGIBLE FIXED ASSETS

	Website £
Cost	
At 1 September 2021	10,700
Disposals	(10,700)
	<hr/>
At 31 August 2022	-
	<hr/>
Depreciation	
At 1 September 2021	10,700
Disposals	(10,700)
	<hr/>
At 31 August 2022	-
	<hr/>
Net book value	
At 31 August 2022	-
	<hr/>
At 1 September 2021	-
	<hr/>

7. INVESTMENTS

	2022 £	2021 £
Market value at 1 September 2021	4,445,254	2,948,385
Additions at cost	1,330,623	1,311,236
Disposals at market value	(1,125,246)	(492,577)
Net (loss) /gain on revaluation	(227,528)	543,623
Gains/(losses) on foreign exchange differences	5,480	(2,494)
Net increase/(decrease) in cash deposits	(152,117)	137,081
	<hr/>	<hr/>
Market value at 31 August 2022	4,276,466	4,445,254
	<hr/>	<hr/>

Investments can be further analysed as follows:

	2022 £	2021 £
Listed investments	4,127,737	4,144,408
Cash and settlements pending	148,729	300,846
	<hr/>	<hr/>
	4,276,466	4,445,254
	<hr/>	<hr/>

All investments are held in the UK. The investments are held primarily to provide an investment return for the Charity.

MILLFIELD FOUNDATION

8.	DEBTORS		Total Funds	Total Funds
			2022 £	2021 £
	Other debtors		485,083	96,177
			<hr/>	<hr/>
			485,083	96,177
			<hr/>	<hr/>
9.	CREDITORS – AMOUNTS DUE WITHIN ONE YEAR		Total Funds	Total Funds
			2022 £	2021 £
	Accruals		20,800	15,532
			<hr/>	<hr/>
			20,800	15,532
			<hr/>	<hr/>
10.	ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted General Fund 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
	Investments	948,768	3,327,698	4,276,466
	Current assets	546,056	23,331	569,387
	Creditors	(20,800)	-	(20,800)
		<hr/>	<hr/>	<hr/>
		1,474,024	3,351,029	4,825,053
		<hr/>	<hr/>	<hr/>
PRIOR YEAR ANALYSIS OF NET ASSETS BETWEEN FUNDS		Unrestricted General Fund 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
	Investments	987,972	3,457,282	4,445,254
	Current assets	179,292	14,989	194,281
	Creditors	(15,532)	-	(15,532)
		<hr/>	<hr/>	<hr/>
		1,151,732	3,472,271	4,624,003
		<hr/>	<hr/>	<hr/>

MILLFIELD FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

11. STATEMENT OF FUNDS

Fund Name	At 1 September 2021 (as restated)	Income	Expenditure	Loss on investment	Transfer	At 31 August 2022
<u>UNRESTRICTED FUNDS</u>						
General Fund	1,151,732	499,651	(167,730)	(47,977)	38,348	1,474,024
<u>RESTRICTED FUNDS</u>						
Erika Olde Scholarship Fund	804,667	14,721	(14,949)	(42,059)		762,380
RJOM Fund	536,883	20,849	(13,421)	(28,018)		516,293
Guy Bennett Scholarship Fund	954,165	17,364	(26,117)	(49,593)		895,819
PMJ Fund	152,382	60,172	(969)	(9,084)		202,501
Tom Maynard Fund	7,574	140	(44)	(399)		7,271
Holmcroft Scholarship Fund	139,931	13,844	(809)	(7,125)		145,841
St Anne's Scholarship Fund	48,065	886	(277)	(2,533)		46,141
Gallifrey Scholarship Fund	7,740	143	(45)	(408)		7,430
Sir Gareth Edwards Rugby Scholarship Fund	147,854	6,343	(11,165)	(7,503)		135,529
The T N Fund	38,348	-	-	-	(38,348)	-
The Sumner Fund	634,662	42,983	(13,996)	(32,834)		630,815
Tyrone Mings Scholarship Fund	-	1,005	(1)	5		1,009
	3,472,271	178,450	(81,793)	(179,551)	(38,348)	3,351,029
TOTAL FUNDS	4,624,003	678,101	(249,523)	(227,528)	-	4,825,053

MILLFIELD FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

PRIOR YEAR STATEMENT OF FUNDS

Fund Name	At 1 July 2020	Income (as restated)	Expenditure	Gain on investment	Transfer	At 31 August 2021 (as restated)
UNRESTRICTED FUNDS						
General Fund	885,212	205,968	(66,885)	127,437	-	1,151,732
RESTRICTED FUNDS						
Erika Olde Scholarship Fund	708,814	14,586	(16,282)	97,549		804,667
RJOM Fund	480,136	13,793	(22,423)	65,377		536,883
Guy Bennett Scholarship Fund	748,606	117,534	(25,497)	113,522		954,165
PMJ Fund	118,143	17,823	(1,135)	17,551		152,382
Tom Maynard Fund	6,584	136	(60)	914		7,574
Holmcroft Scholarship Fund	92,444	32,352	(1,034)	16,169		139,931
St Anne's Scholarship Fund	41,780	866	(381)	5,800		48,065
Gallifrey Scholarship Fund	6,728	139	(61)	934		7,740
Sir Gareth Edwards Rugby Scholarship Fund	127,348	13,014	(10,226)	17,718		147,854
The T N Fund	55,741	909	(23,956)	5,654		38,348
The Sumner Fund	531,250	42,358	(13,944)	74,998		634,662
	2,917,574	253,510	(114,999)	416,186	-	3,472,271
TOTAL FUNDS	3,802,786	459,478	(181,884)	543,623	-	4,624,003

Income: Represents Donations and Gift Aid received by each fund together with Investment Income as allocated to the specific fund on the basis of quarterly average fund values.

Expenditure: Represents Grants disbursed by each fund together with Investment Management Fees as allocated to the specific fund on the basis of quarterly average fund values. Other expenses are allocated to the General Fund.

(Losses)/Gains on Investment Assets: Allocated to the specific fund on the basis of quarterly average fund values.

Purposes of Restricted Income Funds:

The Erika Olde Scholarship Fund will provide grants to talented dyslexic children, where there is a financial need.

The RJOM Fund will provide grants to the children of Old Millfieldians, where there is a financial need.

The Guy Bennett Scholarship Fund will provide grants to children displaying exceptional talent in the Arts, where there is a financial need.

MILLFIELD FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

The PMJ Fund will provide All Round scholarships for 6th Form academically able pupils with other talents - leadership qualities, music, drama, art & sport where there is financial need

The Tom Maynard Fund will provide grants to pupils displaying exceptional talent in the sport of cricket, where there is financial need.

The Holmcroft Scholarship Fund will provide grants to pupils boarding at Holmcroft House at Millfield where there is financial need.

The St Anne's Scholarship Fund will provide grants to pupils boarding at St Anne's House at Millfield where there is financial need.

The Gallifrey Scholarship Fund will provide grants to sixth-form pupils where there is financial need.

The Sir Gareth Edwards Rugby Scholarship Fund is to be used to provide an annual rugby scholarship to a pupil at Millfield where there is financial need.

The T N Fund previously provided specific bursary support for an academically gifted pupil, but as explained in Note 1.8 on page 13 of these financial statements, these funds were moved into unrestricted funds as of 26 January 2022.

The Sumner Fund will provide support to female pupils with a bias towards science and who otherwise would not afford the fees.

The Tyrone Mings Scholarship Fund will provide support for pupils displaying exceptional talent in the sport of football.

12. COMPANY LIMITED BY GUARANTEE

The Charity, which is a private Company, is limited by guarantee and does not have a share capital.

13. RELATED PARTY TRANSACTIONS

Donation income is collected directly by Millfield Foundation and indirectly via Millfield. Any donations that are collected by Millfield are transferred to Millfield Foundation. Millfield School collected donations of £598,671 and transferred £125,357 within the year, with the balance due of £473,314 included within other debtors. There have been no other related party transactions during the year.

14. TRUSTEES REMUNERATION AND EXPENSES

The Trustees have not received any remuneration or expense payments during the year.

15. POST BALANCE SHEET EVENTS

New Articles of Association were adopted, by a special resolution on 23 August 2022, effective 1 September 2022. These Articles provide that the majority of Trustees holding office at any one time are nominated by Millfield School which is a separate charity (registered charity number: 310283) and also a separate company (company registration no. 522385).

16. PRIOR YEAR ADJUSTMENT

In the previous period, donation income received from the Discover Brilliance Campaign of £69,555 was incorrectly classified as a separate restricted fund. The purpose of this campaign is to raise income for general scholarships and bursaries which is the same purpose as the unrestricted funds: (general fund). The balance on 1 September 2021 has been restated by increasing the Unrestricted income funds balance by £69,555 (£1,151,732 restated compared to £1,082,177) and reducing the Restricted income funds balance by the same amount (£3,472,271 restated compared to £3,541,826).

MILLFIELD FOUNDATION

TRUSTEES, ADVISORS AND KEY STAFF FOR THE YEAR ENDED 31 AUGUST 2022

TRUSTEES:

B Alizadeh
R K Bennett (appointed 16 November 2022)
W J Bushell
Mrs J E Derbyshire (resigned 30 September 2021)
D A Goodhew (resigned 1 September 2022)
T P Griffiths
P M Johnson
D B A Pinto
M A L Simon
A H West (appointed 23 August 2022)

SECRETARY: R K Summerhayes (appointed 24 May 2022)

REGISTERED OFFICE:

Millfield
Butleigh Road
Street
England
BA16 0DY

REGISTERED NUMBERS:

Company	06370560
Charity	1121630

AUDITORS:

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

BANKERS:

HSBC
41 Southgate Street
Bath
BA1 1TN

SOLICITORS:

VWV Bristol
Narrow Quay House
Narrow Quay
Bristol
BS1 4QA

INVESTMENT MANAGERS:

Waverton Investment Management Ltd
16 Babmaes Street
London
SW1Y 6AH

Rathbone Investment Management Limited
Port of Liverpool Building
Pier Head
Liverpool
L3 1NW