THE MILLFIELD HOUSE FOUNDATION (1)

England & Wales · Charity number 1158914

Details

Status	Registered
Legal form	Trust
Registered	2014-10-20
Register	View on the Charity Commission register

Contact

Address	Connected Voice 1 Strawberry Lane Newcastle Upon Tyne NE1 4BX
Phone	07595280401
Email	cullagh@mhfdn.org.uk
Website	www.mhfdn.org.uk

Activities

Objects: SUCH CHARITABLE PURPOSES OR OBJECTS AND IN SUCH MANNER AS THE TRUSTEES SHALL IN THEIR UNCONTROLLED DISCRETION THINK FIT

Activities: THROUGH GRANTS TO OUR STRATEGIC PARTNERS AND OTHER SUPPORT, WE PROMOTE POLICY CHANGE BY FUNDING PROJECTS THAT INFORM DISCUSSION AND INFLUENCE PUBLIC POLICY. OUR AIM IS TO EMPOWER COMMUNITIES AND REDUCE SOCIAL DEPRIVATION.

Classification

- **How:** Makes Grants To Organisations
- **What:** The Prevention Or Relief Of Poverty
- **Who:** Other Charities Or Voluntary Bodies

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Geography

- Durham
- Gateshead
- Hartlepool
- Middlesbrough
- Newcastle Upon Tyne City
- North Tyneside
- Northumberland
- South Tyneside
- Stockton-on-tees
- Sunderland

Finances

Period end	Income	Expenditure	Assets	Employees
2025-04-05	£133,550	£283,204	-	-
2024-04-05	£156,501	£209,183	-	-
2023-04-05	£156,276	£280,578	-	-
2022-04-05	£143,863	£508,712	-	-
2021-04-05	£108,726	£238,105	-	-

Trustees

Name	Role	Appointed
Joanthan Walker	Chair	2021-02-22
Andrew Morrell		2026-02-09
Dr Yvonne Gale		2019-10-21
Emma louise Richardson		2023-06-19
LAURA SEEBOHM		2017-06-19
Matthew Roche		2023-06-19
Rosamund Marie Lewis		2023-06-19

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THE MILLFIELD HOUSE FOUNDATION (1)

England & Wales - Charity number 1158914

Accounts

Charity registration number 1158914 (England and Wales)

THE MILLFIELD HOUSE FOUNDATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2025

THE MILLFIELD HOUSE FOUNDATION

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THE MILLFIELD HOUSE FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms L Seebohm Mr J Walker Dr Y Gale Mr M Roche Ms E Richardson Ms R Lewis
Administrator/Trust Manager	Ms C Warnock
Charity number	1158914
Principal address	7 Lesbury Road Newcastle upon Tyne Tyne and Wear NE6 5LB
Auditor	Robson Laidler Accountants Limited Fernwood House Fernwood Road Jesmond Newcastle upon Tyne Tyne and Wear England NE2 1TJ
Bankers	The Unity Trust Bank Nine Brindley Bank Birmingham B1 2HB
Solicitors	Ward Hadaway LLP Sandgate House 102 Quayside Newcastle upon Tyne NE1 3DX
Investment advisors	Rathbone Greenbank Investment 10 Queen Square Bristol BS1 4NT

THE MILLFIELD HOUSE FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2025

The trustees present their annual report and financial statements for the year ended 5 April 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Deed of Trust, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

History of the Foundation
MHF was founded by Grigor McClelland (1922-2013) in 1976 with shares in Laws Stores Ltd, a Tyneside based food retailing firm established by Arthur McClelland (1884-1966). The Foundation only had significant income after the firm was sold in 1985.

Objectives and activities
Policies and objectives
The Foundation's objects are the support, using both capital and income at the Trustees' discretion, of any legally charitable object. However, the Trustees have decided that its principal objective at present should be to contribute to the improvement of social conditions and of the quality of life in the North East of England, primarily amongst those who are socially and economically most disadvantaged.

The Trustees seek to use the Foundation's resources to help build a better society, one more equal and less divided. The emphasis is on tackling the causes of poverty and inequality rather than alleviating the symptoms. The Trustees periodically review their grants policy to ensure that it fully supports the objects. These reviews typically take place every four-five years and one such took place between February and June 2024. Trustees considered all aspects of the Foundations work and re-affirmed their commitment to a relational approach to grant making. The Board uses these exercises to reflect on its understanding of the relationships it has built over time; it sees this as a continuous process. Over the last five years Trustees have:

- Reviewed the portfolio and created space for emergent organisations, activities or individuals where this is possible
- Monitored the performance of the endowment to ensure the Foundation continues to be financially viable for the long term
- Continued to think about how the Foundation itself can contribute to the mechanisms of change to reduce poverty and inequity in the North East.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Grantmaking policies
The Millfield House Foundation's aim is to tackle the underlying causes of poverty and inequity, particularly social and economic inequity, in the North East of England (i.e. Northumberland, Tyne and Wear, County Durham and Tees Valley). It does this by funding work, the ultimate goal of which is to change social policy for the better. The Trustees do not accept unsolicited applications but support a small number of grant holders - called Strategic Partners - whose work has impressed them and whom they wish to support over a period of years. In recent years, Trustees have also make a handful of smaller 'Getting to Know You' grants to new organisations.

The grants are given for core costs to be used at the discretion of the grant holder with the single stipulation that this be in support of campaigning or policy work. The Foundation seeks to develop a respectful and trusting relationship with grant holders enabling them to take a long view and to work steadily towards their goals. The Trustees ask to be kept informed of developments, positive and challenging, and offer patient support rather than tying grant holders to short term goals.

The Foundation supports a Learning Community for its Strategic Partners, which provides a safe space for peer learning. The goal is to share information and experience, to build relationships between policy practitioners and to learn from one another. The group meets quarterly, and a number of joint projects have been developed as a result of those interactions.

MHF recognises that genuine, effective policy change requires a mix of approaches and outcomes. Most, though not all, policy work pushes in a direction rather than arriving immediately at the desired destination. Different skills, actions and opportunities can be described as coming together in an overall 'mosaic of change'. With its limited resources the Foundation cannot support the entire gamut of activities necessary to bring about profound policy shifts. Trustees' grant making policy is, therefore, to support work which contributes to real change, meaning grant holders must identify not only what they are doing but also what others are doing to shape the desired change.

The Trustees reserve the ability to respond to or to seek out interesting developments which they may choose to fund in pursuit of their overall objective. Recognising the value of developing new relationships, in addition to those with existing Strategic Partners, in spring of 2022 and 2024 Trustees issued open calls for expressions of interest in funding for policy work to address issues of poverty and inequality in the North East. Interested organisations were invited to have an initial, exploratory conversation with the Trust Manager who writes up a note for Trustees, leading to a much smaller number of organisations being invited to make an application for funding. In 2022, this resulted in grants being awarded to Tyne and Wear Citizens (toward its core costs) and National Energy Action (towards work to address fuel poverty in the North East). In 2024 a further grant was awarded to Difference North East (for a policy officer). Trustees believe this more conversational, relational approach to grant making enables them to get a valuable insight into the policy and influencing activities of a broad range of voluntary sector and civil society organisations across the region, without requiring hard pressed organisations to spend too much time on an application which would have a limited chance of success.

As a charity, the Foundation must confine its grants to purposes accepted in law as charitable. However, official guidance makes it clear that charities may include a variety of non-party political and campaigning activities to further their purposes. Guidance on campaigning by charities is available from the Charity Commission and from the Electoral Commission.

The Trustees are aware that guidance on acceptable campaigning is continually changing and monitors the changes to ensure that their grants are used lawfully. They remain committed to the principle that charities should campaign on behalf of beneficiaries and on the circumstances that create or perpetuate poverty and inequality. In pursuance of that principle, in 2024 Trustees sponsored the fourth year of its award at the North East Charity Awards, held in Sept 24 to celebrate organisations' Outstanding Contribution to Social Change, with Newcastle Carers the worth winners.

Achievements and performance

Review of activities

In the year ended 5th April 2025 a total of £205,242 was committed in new grants (2024: £135,275). This represents a three year Strategic Partner award to Tyne and Wear Citizens, a one year extension to VONNE's Strategic Partner award and two new 'Getting to Know You' grants to Difference North East and North East Anti-Racism Coalition. A small additional grant was awarded to Citizens Advice Newcastle to support research work undertaken by Citizen's Advice charities across the North East.

Grants paid during the year amounted to £226,529 (2024: £260,948). These are detailed in Note 15 to the financial statements. Further detail on grants can be found on the Foundation's website.

With regard to public benefit, the Trustees' principal concern is for the interests of communities and individuals in North East England in need. The Foundation's grants policy is unambiguous and, in the words of Joseph Rowntree, MHF seeks "to search out the underlying causes of weakness or evil in the community, rather than remedying their more superficial manifestations". Grant proposals are rigorously assessed to ensure that grants are consistent with the Foundation's stated aims of supporting initiatives that tackle poverty, disadvantage and exclusion, and promoting social and economic change. For each grant, Trustees carefully consider the needs addressed or the purpose pursued, the means of tackling the problem and the intended outcomes.

The Trust Manager provides regular updates on current and recent grants to Trustees. In previous years Strategic Partners have reported in writing at least once a year; since autumn 2022 Trustees have instead received a written report from the Trust Manager, based on in-depth conversations with each Partner, to further reduce the reporting burden on Partners. Since 2018-19 trustees have participated in a 'pairing' programme, whereby each Strategic Partner is paired with an individual Trustee who meets with them twice a year, together with the Trust Manager, and reports back to the full Board. This programme of engagement was reviewed in 2020-21 and Trustees agreed to continue this approach. Grant conditions include the stipulation that multi-year grant payments are conditional on receipt of a satisfactory annual review which enables Trustees to satisfy themselves that the grant has been used for the purpose for which it was approved and that the objectives intended for the previous year have been met.

Key performance indicators

The total return for the portfolio over the year to 5th April 2025 (before Rathbone's fees) was -3.6% which compares with 0.5% from the MSCI PIMFA Balanced Total Return benchmark. The benchmark's asset allocation is 25% fixed interest, 28% UK Equities, 32.5% overseas equities, 12.5% alternatives and 2% cash.

Investment policy and performance

The Trustees have been in regular contact with their investment manager Nicola Day from Rathbone Greenbank during 2024-5 to stay abreast of events as they impact on the endowment. The Trustees' investment policy is to maximise the growth of capital and income, subject to ethical constraints on the selection of stocks. The overall investment objectives required of Rathbone Greenbank are to create sufficient income and capital growth to enable the Foundation to carry out its purposes consistently year by year with due and proper consideration for future needs and the maintenance and, if possible, enhancement of the value of the invested funds. The portfolio is measured against a bespoke benchmark.

The Foundation's ethical policy is agreed with the fund managers. When reviewing the ethical policy, to enable the investment managers to work to clear criteria, the Trustees establish a distinction between major and minor ethical concerns. The detail of the Foundation's ethical screening was reviewed in 2023-24 and adjusted to reflect Trustees growing understanding of issues such as climate change and their impact on poverty and inequity in the North East.

After another turbulent year, the value of the investment portfolio at 5th April 2025 remained relatively stable at £6,323,632, down slightly from £6,818,906 at 5th April 2024.

The Foundation re-tenders for its investment management services every seven years and this process began in February 2025, with an invitation to tender extended to five reputable firms, including Rathbone Greenbank. A sub-group of three Trustees, led by the Investment Committee Chair, considered tenders and invited two firms to interview. Trustees discussed the sub-group's recommendation at their meeting in May 2025 and agreed to invite RBC Brewin Dolphin to manage the Foundation's investments. They thanked the team at Rathbone Greenbank for all their hard work, help and advice over the last seven year.

Going concern
After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future.

Reserves policy
The Foundation received income from investments during the year of £133,550 (2024: £156,501). Grant and related support and governance costs were £242,497 (2024: £169,025) and investment managers' costs were £40,707 (2024: £40,158), leaving an excess of expenditure over incoming resources of £149,654 (2024: £52,682) before investment losses of £323,798 (2024: gains of £131,809). This has resulted in a net loss for the year of £473,452 (2024: net surplus of £79,127).

The Trustees believe they should spend capital if there is a case to support new activities that cannot be funded out of current income; they have powers to spend capital as well as income. In 2006 the Trustees resolved to make an annual transfer from expendable endowment to unrestricted funds each year to cover any shortfall of incoming resources.

Structure, governance and management
Governing document
The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

Charity constitution
The Foundation's governing document is a trust deed signed on 18th May 2002; the original dated 26th March 1976 having been revised. There have been no changes in the objectives since the last annual report.

Methods of appointment or election of Trustees
New Trustees are appointed by existing Trustees. No trustees have either joined or resigned in 2024-25.

Policies adopted for the induction and training of Trustees
New Trustees receive extensive briefing and are provided with comprehensive documentation about the Foundation. Before their appointment, prospective Trustees meet the Trustees and the Trust Manager informally and attend at least one Trustees' meeting in the capacity of observers.

MHF is a member of the Association of Charitable Foundations, and all Trustees receive information from ACF. Trustees are encouraged to attend relevant meetings and conferences and the Foundation funds such training as may be appropriate. Trustees regularly attend local and national events held by grant holders or on matters related to their grant making policy and to stay informed of current local and national issues.

The trustees who served during the year and up to the date of signature of the financial statements were:
Ms L Seebohm
Mr J Walker
Dr Y Gale
Mr M Roche
Ms E Richardson
Ms R Lewis

Organisational structure and decision making
The Trustees are responsible for the management of the Foundation. The Chair is appointed from among the Trustees, usually for a three-year term. Laura Seebohm took on the role from May 2021 – June 2024; Jonathan Walker was appointed Chair from June 2024.

The Trustees meet three times a year; these meetings usually take place in central Newcastle. One meeting is primarily dedicated to internal business, for example, approval of accounts, review of the risk policy and similar concerns. At the other two meetings Trustees may consider applications from invited applicants, meet grant holders and discuss any other initiatives they may wish to take. They also regularly receive and consider financial reports and reports on the Foundation's investments.

Yvonne Gale takes on the role of Chair of the Investment Committee (a sub-committee previously responsible for scrutinising investment management reports, reporting to the Board on investment management issues and undertaking a regular review of investment management performance). However, since 2022 Trustees have incorporated investment committee business into the main trustee meeting, involving all trustees in this aspect of trustee oversight. The Investment Chair continues to oversee this aspect of Trustees responsibilities and leads this section of the Trustee meeting. The day-to-day administration of the Foundation, including administration of grants and processing of applications prior to consideration by Trustees, is delegated to a Trust Manager. Cullagh Warnock has occupied this position since 1st May 2018. All contracts with external agencies are reviewed on a regular basis. As a result of such a review in spring 2021, Trustees invited new firms to tender to provide MHF with accountancy services and entered into a new agreement with Robson Laidler Accountants Limited.

Relationships with other agencies
The Foundation is a member of the North East Trust Secretaries Group and the NE Funders Network. It is also a member of the Association of Charitable Foundations, the Community Foundation serving Tyne & Wear and Northumberland, Voluntary Organisations' Network North East and Connected Voice.

In 2020, the Foundation joined an initiative to champion open and trusting grant-making. Co-ordinated by IVAR, this partnership of funders and small charities from across the UK has developed eight commitments to open and trusting grant-making, asking funders to:
- make grants in a way that reflects the realities facing VCSE organisations now and for the foreseeable future
- manage grants and relationships in a way that reflects our confidence in and respect for the organisations we fund
The aspirations of this initiative very much reflect MHF's relational approach which is described in more detail on our website.

The Trust Manager co-convened a national funders' interest group on Tackling Poverty for three years, under the umbrella of the Association of Charitable Foundations. This group meets virtually, three times a year, hears from speakers and discusses interventions that funders can make. She stood down from this facilitation role at the end of her term in January 2025.

Millfield House Foundation works closely with statutory and voluntary bodies whose interests overlap with its own but retains its complete independence in respect of grant decisions. The Foundation is registered as a Living Wage Funder.

Risk management
The Trustees regularly review their roles and responsibilities in the light of the Charity Commission's guidance and consider the major risks to which the charity is exposed. They have adopted a strategy and procedures for management of risk, including potential conflicts of interest. Trustees review and update the Foundation's risk register and associated policy annually.

The Trustees maintain a Register of Interests and have adopted procedures for the declaration of interests at Trustees' meetings. If a Trustee or the Trust Manager has an interest in an organisation being considered for a grant, s/he withdraws from the meeting while the application is discussed, and a decision is made.

Future developments

The guiding principle for all MHF's funding is that it should contribute to tackling poverty and/or inequity. The Trustees hope that, by investing for a continuous period and with substantial unrestricted grants in carefully selected strategic partners, they will over time make an impact on the policy decisions that can address poverty and inequity. They recognise that discerning the impact their grants make in such a broad context may be impossible, but they look to grant holders to keep them informed of developments and to give indications of progress towards ultimate goals.

Trustees are aware that funding for policy work at a local and regional level is extremely hard to come by, and they and the Trust Manager take every opportunity to highlight the value of this work to other agencies, particularly to other local and national funders

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the trustees are required to:
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' report was approved by the Board of Trustees.

Mr J Walker
Trustee

Dr Y Gale
Trustee

Date: 13/10/2025

THE MILLFIELD HOUSE FOUNDATION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE MILLFIELD HOUSE FOUNDATION

Opinion

We have audited the financial statements of The Millfield House Foundation (the 'charity') for the year ended 5 April 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 charity's affairs as at 5 April 2025 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF THE MILLFIELD HOUSE FOUNDATION

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees 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 charity'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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The risk of material misstatement due to error or fraud has been assessed in conjunction with how internal controls may mitigate any such risk. These controls are reviewed as part of the audit by performing systems walkthroughs to ensure they are operating effectively. Analytical review and substantive testing is also performed on all material balances and therefore any instances of non-compliance should be identified or considered as insignificant. In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team;

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework, in which the charity operates and how the charity complies with that legal and regulatory framework
- inquired with management and those charged with governance about their own identification and assessment of the risks of irregularities, including any know actual, suspected or alleged instances of fraud
- discussed with management and those charged with governance any non-compliance with laws and regulations and how fraud might occur including assessments of how and where the financial statements may be susceptible to fraud.

The risk of management override of controls was also considered an area of potential misstatement due to fraud. Audit procedures performed included testing of manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF THE MILLFIELD HOUSE FOUNDATION



Nicholas Cunningham MSc BSc FCCA (Senior Statutory Auditor)
For and on behalf of Robson Laidler Accountants Limited, Statutory Auditor
Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
Tyne and Wear
NE2 1TJ
England
Date: 17-10-2025

Robson Laidler Accountants Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE MILLFIELD HOUSE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 5 APRIL 2025

Current financial year

	Notes	Unrestricted funds 2025 £	Endowment funds 2025 £	Total 2025 £	Total 2024 £
Income from:					
Investments	2	133,550	-	133,550	156,501
Expenditure on:					
Raising funds	3	40,707	-	40,707	40,158
Charitable activities	5	242,497	-	242,497	169,025
Total expenditure		283,204	-	283,204	209,183
Net gains/(losses) on investments		-	(323,798)	(323,798)	131,809
Net (outgoing)/incoming resources before transfers		(149,654)	(323,798)	(473,452)	79,127
Gross transfers between funds		149,654	(149,654)	-	-
Net movement in funds		-	(473,452)	(473,452)	79,127
Fund balances at 6 April 2024		-	6,527,306	6,527,306	6,448,179
Fund balances at 5 April 2025		-	6,053,854	6,053,854	6,527,306

The statement of financial activities includes all gains and losses recognised in the year.

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

THE MILLFIELD HOUSE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2025

Prior financial year

	Notes	Unrestricted funds 2024 £	Endowment funds 2024 £	Total 2024 £
Income from:				
Investments	2	156,501	-	156,501
Expenditure on:				
Raising funds	3	40,158	-	40,158
Charitable activities	5	169,025	-	169,025
Total expenditure		209,183	-	209,183
Net gains/(losses) on investments		-	131,809	131,809
Net (outgoing)/incoming resources before transfers		(52,682)	131,809	79,127
Gross transfers between funds		52,682	(52,682)	-
Net movement in funds		-	79,127	79,127
Fund balances at 6 April 2023		-	6,448,179	6,448,179
Fund balances at 5 April 2024		-	6,527,306	6,527,306

THE MILLFIELD HOUSE FOUNDATION

BALANCE SHEET

AS AT 5 APRIL 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Investments	9		6,323,632		6,818,906
Current assets					
Debtors	10	5,749		4,492	
Cash at bank and in hand		399		685	
		6,148		5,177	
Creditors: amounts falling due within one year	11	(168,909)		(209,222)	
Net current liabilities			(162,761)		(204,045)
Total assets less current liabilities			6,160,871		6,614,861
Creditors: amounts falling due after more than one year	12		(107,017)		(87,555)
Net assets			6,053,854		6,527,306
The funds of the charity					
Endowment funds	13		6,053,854		6,527,306
			6,053,854		6,527,306

The financial statements were approved by the trustees on 13/10/2025

Mr J Walker
Trustee

Dr Y Gale
Trustee

THE MILLFIELD HOUSE FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 5 APRIL 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Cash flows from operating activities					
Cash absorbed by operations	17		(305,312)		(333,185)
Investing activities					
Purchase of investments		(1,492,409)		(1,301,533)	
Proceeds from disposal of investments		1,663,885		1,478,280	
Investment income received		133,550		156,501	
Net cash generated from investing activities			305,026		333,248
Net cash generated from financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(286)		63
Cash and cash equivalents at beginning of year			685		622
Cash and cash equivalents at end of year			399		685

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2025

1 Accounting policies

Charity information

The Millfield House Foundation is a grant making charity, registration number: 1158914. The principal operating address is 7 Lesbury Road, Heaton, Newcastle upon Tyne, NE6 5LB

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the investments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1 Accounting policies **(Continued)**

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

1.6 Taxation

The charity is exempt from tax on it charitable activities.

1.7 Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

1.8 Interest

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 institution with whom the funds are deposited.

1.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains / losses on investments' in the Statement of Financial Activities.

2 Investments

	Unrestricted funds	Unrestricted funds
	2025	2024
	£	£
Dividends and distributions	133,550	156,501

3 Raising funds

	Unrestricted funds	Unrestricted funds
	2025	2024
	£	£
Portfolio management	40,707	40,158
	40,707	40,158

4 Expenditure on charitable activities

	Charitable activities 2025	**Charitable activities 2024**
	£	**£**
Direct costs		
Grant funding of activities (see note 5)	205,242	135,275
Share of support and governance costs (see note 7)		
Support	30,230	27,025
Governance	7,025	6,725
	242,497	169,025
Analysis by fund		
Unrestricted funds	242,497	169,025

5 Grants awarded in the year

	Grants Awarded 2025	Grants Awarded 2024
	£	£
Grants awarded to institutions in the year:		
Tyne and Wear Citizens	98,417	-
NEARC	20,000	-
VONNE	42,000	-
Difference North East	40,000	-
Newcastle University (for NECPC)	-	5,225
Citizen's Advice Newcastle	4,825	130,050
	205,242	135,275

6 Net movement in funds

	2025	2024
	£	£
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	3,665	3,396

7 Support costs

	Support costs	Governance costs	2025	Support costs	Governance costs	2024
	£	£	£	£	£	£
Administration costs	27,676	-	27,676	24,150	-	24,150
Subscriptions	822	-	822	838	-	838
Trustees meetings & expenses	132	-	132	280	-	280
IT and website	1,488	-	1,488	1,644	-	1,644
General expenses	112	-	112	113	-	113
Audit fees	-	3,665	3,665	-	3,396	3,396
Legal and professional	-	3,360	3,360	-	3,329	3,329
	30,230	7,025	37,255	27,025	6,725	33,750
Analysed between						
Charitable activities	30,230	7,025	37,255	27,025	6,725	33,750

Governance costs includes payments to the auditors of £3,665 (2024- £3,396) for audit fees.

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

During the year ended 5 April 2025, expenses totalling £36 were reimbursed or paid directly to trustees (2024: £133)

9 Fixed asset investments

	Listed investments	Cash in portfolio	Total
	£		£
Cost or valuation			
At 6 April 2024	6,641,605	177,301	6,818,906
Additions	1,492,409	-	1,492,409
Valuation changes	(323,798)	-	(323,798)
Movement in cash held	-	(47,545)	(47,545)
Disposals	(1,616,340)	-	(1,616,340)
At 5 April 2025	6,193,876	129,756	6,323,632
Carrying amount			
At 05 April 2025	6,193,876	129,756	6,323,632
At 05 April 2024	6,641,605	177,301	6,818,906

There were no investment assets outside the UK.

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets. The basis of fair valuation for quoted investments is equivalent to the market value.

The main risk to the Foundation from these financial instruments lies in the combination of uncertain investment markets and volatility of yield. The Foundation manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Foundation does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for the longer term.

There were no investments that represent more than 5% of the investment holdings.

10 Debtors

	2025	2024
Amounts falling due within one year:	£	£
Prepayments and accrued income	5,749	4,492

11 Creditors: amounts falling due within one year

	2025	2024
	£	£
Trade creditors	2,368	2,048
Other creditors	152,975	193,723
Accruals and deferred income	13,566	13,451
	168,909	209,222

Included in other creditors are the following grant commitments:

	2025	2024
	£	£
Newcastle University (for NECPC)		47,228
Regional Refugee Forum North East		
VONNE	42,000	42,000
IPPR North		42,000
National Energy Action		10,000
Citizen's UK		10,000
Citizen's Advice Newcastle	48,169	42,495
Difference North East	20,000	
NEARC	10,000	
Tyne and Wear Citizens	32,806	
Total	**152,975**	**193,723**

The above grants had been agreed by the Trustees but not paid at the year end.

12 Creditors: amounts falling due after more than one year

	2025	2024
	£	£
Other creditors	107,017	87,555

Included in other creditors are the following grant commitments:

	2025	2024
	£	£
Difference North East	20,000	
NEARC	10,000	
Tyne and Wear Citizens	32,806	
Citizen's Advice Newcastle	44,211	87,555
Total	**107,017**	**87,555**

The above grants had been agreed by the Trustees but not paid at the year end.

13 Endowment funds

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	At 6 April 2024 £	Transfers £	Gains and losses £	At 5 April 2025 £
Permanent endowments	6,527,306	(149,654)	(323,798)	6,053,854

Previous year:	At 6 April 2023 £	Transfers £	Gains and losses £	At 5 April 2024 £
Permanent endowments	6,448,179	(52,682)	131,809	6,527,306

14 Analysis of net assets between funds

	Endowment funds 2025 £
At 5 April 2025:	
Investments	6,323,632
Current assets/(liabilities)	(162,761)
Long term liabilities	(107,017)
	6,053,854

	Endowment funds 2024 £
At 5 April 2024:	
Investments	6,818,906
Current assets/(liabilities)	(204,045)
Long term liabilities	(87,555)
	6,527,306

15 Grant commitments paid

The following grant commitments have been paid in the year

Newcastle University (for NECPC)
The final instalment of a grant commitment made in 2021-2022 for £126,000 47,228

Voluntary Organisations Network North East (VONNE)
The third instalment of a grant commitment made in 2021-2022 for £126,000 42,000

IPPR North
The final instalment of a grant commitment made in 2022-2023 for £126,000 42,000

Citizens Advice Newcastle
The first instalment of a grant commitment made in 2023-2024 for £130,050 42,495

Citizens UK
The final instalment of a grant commitment made in 2022-2023 for £40,000 10,000

National Energy Action
The final instalment of a grant commitment made in 2022-2023 for £40,000 10,000

Tyne and Wear Citizens
The first instalment of a grant commitment made in 2024-2025 for £98,418 32,806

16 Related party transactions

There were no disclosable related party transactions during the year (2024 - none).

17 Cash absorbed by operations

	2025 £	2024 £
(Deficit)/surplus for the year	(473,452)	79,127
Adjustments for:		
Investment income recognised in statement of financial activities	(133,550)	(156,501)
Fair value gains and losses on investments	323,798	(131,809)
Movements in working capital:		
(Increase)/decrease in debtors	(1,257)	1,387
(Decrease) in creditors	(20,851)	(125,389)
Cash absorbed by operations	(305,312)	(333,185)

18 Analysis of changes in net funds

The charity had no material debt during the year.

THE MILLFIELD HOUSE FOUNDATION (1)

England & Wales - Charity number 1158914

Accounts

Charity registration number 1158914

THE MILLFIELD HOUSE FOUNDATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2024

THE MILLFIELD HOUSE FOUNDATION

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THE MILLFIELD HOUSE FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms L Seebohm	
	Mr J Walker	
	Dr Y Gale	
	Mr M Roche	(Appointed 19 June 2023)
	Ms E Richardson	(Appointed 19 June 2023)
	Ms R Lewis	(Appointed 19 June 2023)
Administrator/Trust Manager	Ms C Warnock	
Charity number	1158914	
Principal address	7 Lesbury Road Newcastle upon Tyne Tyne and Wear NE6 5LB	
Auditor	Robson Laidler Accountants Limited Fernwood House Fernwood Road Jesmond Newcastle upon Tyne Tyne and Wear England NE2 1TJ	
Bankers	The Unity Trust Bank Nine Brindley Bank Birmingham B1 2HB	
Solicitors	Ward Hadaway LLP Sandgate House 102 Quayside Newcastle upon Tyne NE1 3DX	
Investment advisors	Rathbone Greenbank Investment 10 Queen Square Bristol BS1 4NT	

THE MILLFIELD HOUSE FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2024

The trustees present their annual report and financial statements for the year ended 5 April 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Deed of Trust, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

History of the Foundation
MHF was founded by Grigor McClelland (1922-2013) in 1976 with shares in Laws Stores Ltd, a Tyneside based food retailing firm established by Arthur McClelland (1884-1966). The Foundation only had significant income after the firm was sold in 1985.

Objectives and activities
Policies and objectives
The Foundation's objects are the support, using both capital and income at the Trustees' discretion, of any legally charitable object. However, the Trustees have decided that its principal objective at present should be to contribute to the improvement of social conditions and of the quality of life in the North East of England, primarily amongst those who are socially and economically most disadvantaged.

The Trustees seek to use the Foundation's resources to help build a better society, one more equal and less divided. The emphasis is on tackling the causes of poverty and inequality rather than alleviating the symptoms. The Trustees periodically review their grants policy to ensure that it fully supports the objects. These reviews typically take place every four-five years and one such began in February 2024, with completion expected in June 2024. Trustees will consider all aspects of the Foundations work and expect to re-affirm their commitment to a relational approach to grant making. The Board uses these exercises to reflect on its understanding of the relationships is has built over time; it sees this as a continuous process. Over the last five years Trustees have:

- Reviewed the portfolio and created space for emergent organisations, activities or individuals where this is possible
- Monitored the performance of the endowment to ensure the Foundation continues to be financially viable for the long term
- Continued to think about how the Foundation itself can contribute to the mechanisms of change to reduce poverty and inequity in the North East.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Grantmaking policies
The Millfield House Foundation's aim is to tackle the underlying causes of poverty and inequity, particularly social and economic inequality, in the North East of England (i.e. Northumberland, Tyne and Wear, County Durham and Tees Valley). This is done by funding work, the ultimate goal of which is to change policy for the better. The Trustees do not accept unsolicited applications but support a small number of grant holders - called Strategic Partners - whose work has impressed them and whom they wish to support over a period of years.

The grants are given for core costs to be used at the discretion of the grant holder with the single stipulation that this be in support of campaigning or policy work. The Foundation seeks to develop a respectful and trusting relationship with grant holders enabling them to take a long view and to work steadily towards their goals. The Trustees ask to be kept informed of developments, positive and challenging, and offer patient support rather than tying grant holders to short term goals.

In 2018 Trustees made an additional award to support the professional development of the Strategic Partners in the form of grant funding of £105,000 to IPPR North to enable it to work with the other Strategic Partners on developing effective campaigning and policy skills. This joint work, called the Policy Learning Partnership, evolved over a five year period; Strategic Partners worked together, sharing learning, identifying areas to explore further and using the grant of £105,000 to co-commission and co-produce reports, including:

- with Citizen's Advice Newcastle looking at the impact of Universal Credit, in 2019
- in partnership with Youth Homelessness North East to explore young people's access to housing in the North East - report published in autumn 2020
- with North East Child Poverty Commission to explore learning from devolved administrations in how to tackle child poverty at a local level - report published in September 2020 (Newcastle University contributed £5,000 to the cost of this study)
- with all Strategic Partners looking at the nature of digital exclusion across the North East - report published in September 2021
- with VONNE to deliver a VCSE Policy Forum over two years
- with North East Child Poverty Commission to develop a child poverty strategy for the North East – strategy published February 2024

Funding from the Policy Learning Partnership 'pot' was spent according to priorities agreed by the Strategic Partners themselves in a small exercise in devolved grant-making. The last of this funding was allocated at the end of 2022, with work funded via this mechanism completed by March 2024. Trustees reviewed the Policy Learning Partnership scheme at their meeting in February 2022 and agreed that, whilst a number of valuable projects had been supported through the Partnership, there was a danger that it might displace other funding. They agreed not to re-fund the Partnership in its original format, but to be open to supporting other opportunities for joint work in the future on an individual basis.

The Foundation also supports a Learning Community for its Strategic Partners, which provides a safe space for peer learning. The goal is to develop a positive error culture so that all can learn from each other's experiences, both good and bad. The group meets quarterly, and a number of joint projects have been developed as a result of that interaction.

MHF recognises that genuine, effective policy change requires a mix of approaches and outcomes. Most, though not all, policy work pushes in a direction rather than arriving immediately at the desired destination. Different skills, actions and opportunities can be described as coming together in an overall 'mosaic of change'. With its limited resources the Foundation cannot support the entire gamut of activities necessary to bring about profound policy shifts. Trustees' grant making policy is, therefore, to support work which contributes to real change meaning grant holders must identify not only what they are doing but also what others are doing to shape the desired change.

The Trustees reserve the ability to respond to or to seek out interesting developments which they may choose to fund in pursuit of their overall objective. Recognising the value of developing new relationships, in addition to those with existing Strategic Partners, in spring of 2022 Trustees issued an open call for expressions of interest in funding for policy work to address issues of poverty and inequality in the North East. Interested organisations were invited to have an initial, exploratory conversation with the Trust Manager. Notes from 31 conversations were considered by Trustees and five organisations were invited to submit a written application. At their meeting in October 2022, Trustees considered the five applications and decided to award two 'getting to know you' grants of £40,000 each, over two years, to Tyne and Wear Citizens (toward its core costs) and National Energy Action (towards work to address fuel poverty in the North East). Both awards started in November 2022. Trustees felt this conversational, relational approach to grant making enabled them to get a valuable insight into the policy and influencing activities of a broad range of voluntary sector and civil society organisations across the region, without requiring hard pressed organisations to spend too much time on an application which would have a limited chance of success. It plans to repeat this process in the summer of 2024.

As a charity, the Foundation must confine its grants to purposes accepted in law as charitable. However, official guidance makes it clear that charities may include a variety of non-party political and campaigning activities to further their purposes. Guidance on campaigning by charities is available from the Charity Commission and from the Electoral Commission:

https://www.electoralcommission.org.uk/sites/default/files/pdf_file/intro-campaigning-charities-npc.pdf

The Trustees are aware that guidance on acceptable campaigning is continually changing and monitors the changes to ensure that their grants are used lawfully. They remain committed to the principle that charities should campaign on behalf of beneficiaries and on the circumstances that create or perpetuate poverty and inequality. In pursuance of that principle, in 2023-24 Trustees sponsored the third year of a new award at the North East Charity Awards, held in July 2023 to celebrate organisations' Outstanding Contribution to Social Change. Open Clasp Theatre Company were worthy winners, and the quality of nominations was high.

Achievements and performance

Review of activities

In the year ended 5th April 2024 a total of £135,275 was committed in new grants (2023: £206,000). This represents a further three-year grant to Citizens Advice Newcastle.

Grants paid during the year amounted to £260,948 (2023: £257,048). These are detailed in Note 15 to the financial statements. Further detail on grants can be found on the Foundation's website.

With regard to public benefit, the Trustees' principal concern is for the interests of communities and individuals in North East England in need. The Foundation's grants policy is unambiguous and, in the words of Joseph Rowntree, MHF seeks "to search out the underlying causes of weakness or evil in the community, rather than remedying their more superficial manifestations". Grant proposals are rigorously assessed to ensure that grants are consistent with the Foundation's stated aims of supporting initiatives that tackle poverty, disadvantage and exclusion, and promoting social and economic change. For each grant, Trustees carefully consider the needs addressed or the purpose pursued, the means of tackling the problem and the intended outcomes.

The Trust Manager provides regular monitoring and evaluation updates on current and recent grants to Trustees. In previous years Strategic Partners have reported in writing at least once a year; since autumn 2022 Trustees have instead received a written report from the Trust Manager, based on in-depth conversations with each Partner, to further reduce the reporting burden on Partners. Since 2018-19 trustees have participated in a 'pairing' programme, whereby each Strategic Partner is paired with an individual Trustee who meets with them twice a year, together with the Trust Manager, and reports back to the full Board. This programme of engagement was reviewed in 2020-21 and Trustees agreed to continue this approach. Grant conditions include the stipulation that multi-year grant payments are conditional on receipt of a satisfactory annual review which enables Trustees to satisfy themselves that the grant has been used for the purpose for which it was approved and that the objectives intended for the previous year have been met.

Key performance indicators

The total return for the portfolio over the year to 5th April 2024 (before Rathbone's fees) was 3.85% which compares with 11.7% from the MSCI PIMFA Balanced Total Return benchmark. The benchmark's asset allocation is 25% fixed interest, 28% UK Equities, 32.5% overseas equities, 12.5% alternatives and 2% cash.

Investment policy and performance

The Trustees have been in regular contact with their investment manager Nicola Day from Rathbone Greenbank during 2023-24 to stay abreast of events as they impact on the endowment. The Trustees' investment policy is to maximise the growth of capital and income, subject to ethical constraints on the selection of stocks. The overall investment objectives required of Rathbone Greenbank are to create sufficient income and capital growth to enable the Foundation to carry out its purposes consistently year by year with due and proper consideration for future needs and the maintenance and, if possible, enhancement of the value of the invested funds. The portfolio is measured against a bespoke benchmark.

The Foundation's ethical policy is agreed with the fund managers. When reviewing the ethical policy, to enable the investment managers to work to clear criteria, the Trustees establish a distinction between major and minor ethical concerns. The detail of the Foundation's ethical screening was reviewed in 2023-24 and adjusted to reflect Trustees growing understanding of issues such as climate change and their impact on poverty and inequity in the North East.

After a less turbulent year, the value of the investment portfolio at 5th April 2024 remained relatively stable at £6,818,906, up slightly from £6,863,844at 5th April 2023.

Going concern
After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future.

Reserves policy
The Foundation received income from investments during the year of £156,501 (2023: £156,276). Grant and related support and governance costs were £169,025 (2023: £240,515) and investment managers' costs were £40,158 (2023: £40,063), leaving an excess of expenditure over incoming resources of £52,682 (2023: £124,302) before investment gains of £131,809 (2023: losses of £758,946). This has resulted in a net surplus for the year of £79,127 (2023: net deficit of £883,248).

The Trustees believe they should spend capital if there is a case to support new activities that cannot be funded out of current income; they have powers to spend capital as well as income. In 2006 the Trustees resolved to make an annual transfer from expendable endowment to unrestricted funds each year to cover any shortfall of incoming resources.

Structure, governance and management
Governing document
The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

Charity constitution
The Foundation's governing document is a trust deed signed on 18th May 2002; the original dated 26th March 1976 having been revised. There have been no changes in the objectives since the last annual report.

Methods of appointment or election of Trustees
New Trustees are appointed by existing Trustees. No trustees have either joined or resigned in 2023-24.

Policies adopted for the induction and training of Trustees
New Trustees receive extensive briefing and are provided with comprehensive documentation about the Foundation. Before their appointment, prospective Trustees meet the Trustees and the Trust Manager informally and attend at least one Trustees' meeting in the capacity of observers.

MHF is a member of the Association of Charitable Foundations, and all Trustees receive information from ACF. Trustees are encouraged to attend relevant meetings and conferences and the Foundation funds such training as may be appropriate. Trustees regularly attend local and national events held by grant holders or on matters related to their grant making policy and to stay informed of current local and national issues.

The trustees who served during the year and up to the date of signature of the financial statements were:

Ms L Seebohm	
Mr J Walker	
Mr J McCabe	(Resigned 19 June 2023)
Dr Y Gale	
Mr M Roche	(Appointed 19 June 2023)
Ms E Richardson	(Appointed 19 June 2023)
Ms R Lewis	(Appointed 19 June 2023)

Organisational structure and decision making
The Trustees are responsible for the management of the Foundation. The Chair is appointed from among the Trustees, usually for a three-year term. Laura Seebohm took on the role from May 2021 – June 2024; Jonathan Walker was appointed Chair from June 2024.

The Trustees meet three times a year; these meetings usually take place in central. One meeting is primarily dedicated to internal business, for example, approval of accounts, review of the risk policy and similar concerns. At the other two meetings Trustees may consider applications from invited applicants, meet grant holders and discuss any other initiatives they may wish to take. They also regularly receive and consider financial reports and reports on the Foundation's investments.

Yvonne Gale takes on the role of Chair of the Investment Committee (a sub-committee previously responsible for scrutinising investment management reports, reporting to the Board on investment management issues and undertaking a regular review of investment management performance). However, since 2022 Trustees have incorporated investment committee business into the main trustee meeting, involving all trustees in this aspect of trustee oversight. The Investment Chair continues to oversee this aspect of Trustees responsibilities and leads this section of the Trustee meeting. The day-to-day administration of the Foundation, including administration of grants and processing of applications prior to consideration by Trustees, is delegated to a Trust Manager. Cullagh Warnock has occupied this position since 1st May 2018. All contracts with external agencies are reviewed on a regular basis. As a result of such a review in spring 2021, Trustees invited new firms to tender to provide MHF with accountancy services and entered into a new agreement with Robson Laidler Accountants Limited.

Relationships with other agencies
The Foundation is a member of the North East Trust Secretaries Group and the NE Funders Network. It is also a member of the Association of Charitable Foundations, the Community Foundation serving Tyne & Wear and Northumberland, Voluntary Organisations' Network North East and Newcastle Council for Voluntary Service.

In 2020, the Foundation joined an initiative to champion open and trusting grant-making. Co-ordinated by IVAR, this partnership of funders and small charities from across the UK has developed eight commitments to open and trusting grant-making, asking funders to:
- make grants in a way that reflects the realities facing VCSE organisations now and for the foreseeable future
- manage grants and relationships in a way that reflects our confidence in and respect for the organisations we fund
The aspirations of this initiative very much reflect MHF's relational approach which is described in more detail at https://mhfdn.org.uk/grants.

The Trust Manager co-convenes a national funders' interest group on Tackling Poverty, under the umbrella of the Association of Charitable Foundations. This group meets virtually, three times a year, hears from speakers and discusses interventions that funders can make.

Millfield House Foundation works closely with statutory and voluntary bodies whose interests overlap with its own but retains its complete independence in respect of grant decisions. The Foundation is registered as a Living Wage Funder.

Risk management
The Trustees regularly review their roles and responsibilities in the light of the Charity Commission's guidance and consider the major risks to which the charity is exposed. They have adopted a strategy and procedures for management of risk, including potential conflicts of interest. Trustees review and update the Foundation's risk register and associated policy annually.

The Trustees maintain a Register of Interests and have adopted procedures for the declaration of interests at Trustees' meetings. If a Trustee or the Trust Manager has an interest in an organisation being considered for a grant, s/he withdraws from the meeting while the application is discussed, and a decision is made.

Future developments

The guiding principle for all MHF's funding is that it should contribute to tackling poverty and/or inequality. The Trustees hope that, by investing for a continuous period and with substantial unrestricted grants in carefully selected strategic partners, they will over time make an impact on the policy decisions that can address poverty and inequality. They recognise that discerning the impact their grants make in such a broad context may be impossible, but they look to grant holders to keep them informed of developments and to give indications of progress towards ultimate goals.

Trustees are aware that funding for policy work at a local and regional level is extremely hard to come by, and they and the Trust Manager take every opportunity to highlight the value of this work to other agencies, particularly to other local and national funders.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 charity and of the incoming resources and application of resources of the charity for that year.

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

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable 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 charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' report was approved by the Board of Trustees.

Mr J Walker
Trustee

Dr Y Gale
Trustee

Date: 11/11/2024

THE MILLFIELD HOUSE FOUNDATION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE MILLFIELD HOUSE FOUNDATION

Opinion

We have audited the financial statements of The Millfield House Foundation (the 'charity') for the year ended 5 April 2024 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including 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 charity's affairs as at 5 April 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees 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 charity'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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The risk of material misstatement due to error or fraud has been assessed in conjunction with how internal controls may mitigate any such risk. These controls are reviewed as part of the audit by performing systems walkthroughs to ensure they are operating effectively. Analytical review and substantive testing is also performed on all material balances and therefore any instances of non-compliance should be identified or considered as insignificant. In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team;

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework, in which the charity operates and how the charity complies with that legal and regulatory framework
- inquired with management and those charged with governance about their own identification and assessment of the risks of irregularities, including any know actual, suspected or alleged instances of fraud
- discussed with management and those charged with governance any non-compliance with laws and regulations and how fraud might occur including assessments of how and where the financial statements may be susceptible to fraud.

The risk of management override of controls was also considered an area of potential misstatement due to fraud. Audit procedures performed included testing of manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

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

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE MILLFIELD HOUSE FOUNDATION

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Nicholas Cunningham MSc BSc ACCA (Senior Statutory Auditor)
for and on behalf of Robson Laidler Accountants Limited

11-11-2014

Statutory Auditor

Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
Tyne and Wear
England
NE2 1TJ

Robson Laidler Accountants Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE MILLFIELD HOUSE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 5 APRIL 2024

Current financial year

	Notes	Unrestricted funds 2024 £	Endowment funds 2024 £	Total 2024 £	Total 2023 £
Income from:					
Investments	2	156,501	-	156,501	156,276
Expenditure on:					
Raising funds	3	40,158	-	40,158	40,063
Charitable activities	5	169,025	-	169,025	240,515
Total expenditure		209,183	-	209,183	280,578
Net gains/(losses) on investments		-	131,809	131,809	(758,946)
Net (outgoing)/incoming resources before transfers		(52,682)	131,809	79,127	(883,248)
Gross transfers between funds		52,682	(52,682)	-	-
Net movement in funds		-	79,127	79,127	(883,248)
Fund balances at 6 April 2023		-	6,448,179	6,448,179	7,331,427
Fund balances at 5 April 2024		-	6,527,306	6,527,306	6,448,179

The statement of financial activities includes all gains and losses recognised in the year.

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

THE MILLFIELD HOUSE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2024

Prior financial year

	Notes	Unrestricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
Income from:				
Investments	2	156,276	-	156,276
Expenditure on:				
Raising funds	3	40,063	-	40,063
Charitable activities	5	240,515	-	240,515
Total expenditure		280,578	-	280,578
Net gains/(losses) on investments		-	(758,946)	(758,946)
Net (outgoing)/incoming resources before transfers		(124,302)	(758,946)	(883,248)
Gross transfers between funds		124,302	(124,302)	-
Net movement in funds		-	(883,248)	(883,248)
Fund balances at 6 April 2022		-	7,331,427	7,331,427
Fund balances at 5 April 2023		-	6,448,179	6,448,179

THE MILLFIELD HOUSE FOUNDATION

BALANCE SHEET

AS AT 5 APRIL 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Investments	9		6,818,906		6,863,844
Current assets					
Debtors	10	4,492		5,879	
Cash at bank and in hand		685		622	
		5,177		6,501	
Creditors: amounts falling due within one year	11	(209,222)		(276,166)	
Net current liabilities			(204,045)		(269,665)
Total assets less current liabilities			6,614,861		6,594,179
Creditors: amounts falling due after more than one year	12		(87,555)		(146,000)
Net assets excluding pension liability			6,527,306		6,448,179
Net assets			6,527,306		6,448,179
The funds of the charity					
Endowment funds	13		6,527,306		6,448,179
			6,527,306		6,448,179

The financial statements were approved by the trustees on 11/11/2024

Mr J Walker
Trustee

Dr Y Gale
Trustee

1 Accounting policies

Charity information

The Millfield House Foundation is a grant making charity, registration number: 1158914. The principal operating address is 7 Lesbury Road, Heaton, Newcastle upon Tyne, NE6 5LB

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the investments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1 Accounting policies **(Continued)**

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

1.6 Taxation

The charity is exempt from tax on it charitable activities.

1.7 Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

1.8 Interest

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 institution with whom the funds are deposited.

1.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains / losses on investments' in the Statement of Financial Activities.

2 Investments

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Dividends and distributions	156,501	156,276

3 Raising funds

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Portfolio management	40,158	40,063
	40,158	40,063

4 Expenditure on charitable activities

	Charitable activities 2024 £	Charitable activities 2023 £
Direct costs		
Grant funding of activities (see note 5)	135,275	206,000
Share of support and governance costs (see note 7)		
Support	27,025	27,580
Governance	6,725	6,935
	169,025	240,515
Analysis by fund		
Unrestricted funds	169,025	240,515

5 Grants awarded in the year

	Grants Awarded 2024 £	Grants Awarded 2023 £
Grants awarded to institutions in the year:		
IPPR North	-	126,000
National Energy Action	-	40,000
Citizen's UK	-	40,000
Newcastle University	5,225	-
Citizen's Advice Newcastle	130,050	-
	135,275	206,000

6 Net movement in funds

	2024	2023
	£	£
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	3,396	3,095

7 Support costs

	Support costs	Governance costs	2024	Support costs	Governance costs	2023
	£	£	£	£	£	£
Administration costs	24,150	-	24,150	24,150	-	24,150
Subscriptions	838	-	838	815	-	815
Trustees meetings & expenses	280	-	280	571	-	571
IT and website	1,644	-	1,644	959	-	959
General expenses	113	-	113	1,085	-	1,085
Audit fees	-	3,396	3,396	-	3,095	3,095
Legal and professional	-	3,329	3,329	-	3,840	3,840
	27,025	6,725	33,750	27,580	6,935	34,515
Analysed between						
Charitable activities	27,025	6,725	33,750	27,580	6,935	34,515

Governance costs includes payments to the auditors of £3,396 (2023- £3,095) for audit fees.

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

During the year ended 5 April 2024, expenses totalling £133 were reimbursed or paid directly to trustees (2023: £571)

9 Fixed asset investments

	Listed investments	Cash in portfolio	Total
	£		£
Cost or valuation			
At 6 April 2023	6,709,464	154,380	6,863,844
Additions	1,301,533	-	1,301,533
Valuation changes	131,809	-	131,809
Movement in cash held	-	22,921	22,921
Disposals	(1,501,201)	-	(1,501,201)
At 5 April 2024	6,641,605	177,301	6,818,906
Carrying amount			
At 05 April 2024	6,641,605	177,301	6,818,906
At 05 April 2023	6,709,464	154,380	6,863,844

There were no investment assets outside the UK.

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets. The basis of fair valuation for quoted investments is equivalent to the market value.

The main risk to the Foundation from these financial instruments lies in the combination of uncertain investment markets and volatility of yield. The Foundation manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Foundation does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for the longer term.

There were no investments that represent more than 5% of the investment holdings.

10 Debtors

	2024	2023
Amounts falling due within one year:	£	£
Prepayments and accrued income	4,492	5,879

11 Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	2,048	2,048
Other creditors	193,723	260,952
Accruals and deferred income	13,451	13,166
	209,222	276,166

Included in other creditors are the following grant commitments:

	2024	2023
	£	£
Newcastle University	47,228	42,000
Regional Refugee Forum North East	-	42,000
VONNE	42,000	42,000
IPPR North	42,000	52,952
Citizens Advice	-	42,000
National Energy Action	10,000	20,000
Citizen's UK	10,000	20,000
Citizen's Advice Newcastle	42,495	-
Total	**193,723**	**260,952**

The above grants had been agreed by the Trustees but not paid at the year end.

12 Creditors: amounts falling due after more than one year

	2024	2023
	£	£
Other creditors	87,555	146,000

Included in other creditors are the following grant commitments:

	2024	2023
	£	£
VONNE	-	42,000
Newcastle University	-	42,000
IPPR North	-	42,000
National Energy Action	-	10,000
Citizen's UK	-	10,000
Citizen's Advice Newcastle	87,555	-
Total	**87,555**	**146,000**

The above grants had been agreed by the Trustees but not paid at the year end.

13 Endowment funds

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	At 6 April 2023 £	Transfers £	Gains and losses £	At 5 April 2024 £
Permanent endowments	6,448,179	(52,682)	131,809	6,527,306

Previous year:	At 6 April 2022 £	Transfers £	Gains and losses £	At 5 April 2023 £
Permanent endowments	7,331,427	(124,302)	(758,946)	6,448,179

14 Analysis of net assets between funds

	Endowment funds 2024 £
At 5 April 2024:	
Investments	6,818,906
Current assets/(liabilities)	(204,045)
Long term liabilities	(87,555)
	6,527,306

	Endowment funds 2023 £
At 5 April 2023:	
Investments	6,863,844
Current assets/(liabilities)	(269,665)
Long term liabilities	(146,000)
	6,448,179

15 Grant commitments paid

The following grant commitments have been paid in the year

Regional Refugee Forum North East The third instalment of a grant commitment made in 2020-2021 for £126,000	42,000
Newcastle University The second instalment of a grant commitment made in 2021-2022 for £126,000	42,000
Voluntary Organisations Network North East (VONNE) The second instalment of a grant commitment made in 2021-2022 for £126,000	42,000
IPPR North The second instalment of a grant commitment made in 2022-2023 for £126,000	42,000
Citizens Advice Newcastle The final instalment of a grant commitment made in 2020-2021 for £126,000	42,000
Citizens UK The second instalment of a grant commitment made in 2022-2023 for £40,000	20,000
National Energy Action The second instalment of a grant commitment made in 2022-2023 for £40,000	20,000
Voluntary Organisations Network North East (VONNE) PLP grant for VCSE policy forum	7,648
IPPR North PLP grant for VCSE policy forum	3,300

16 Related party transactions

There were no disclosable related party transactions during the year (2023 - none).

THE MILLFIELD HOUSE FOUNDATION (1)

England & Wales - Charity number 1158914

Accounts

Charity registration number 1158914

THE MILLFIELD HOUSE FOUNDATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2023

THE MILLFIELD HOUSE FOUNDATION

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THE MILLFIELD HOUSE FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms L Seebohm	
	Mr J Walker	
	Dr Y Gale	
	Mr M Roche	(Appointed 19 June 2023)
	Ms EL Richardson	(Appointed 19 June 2023)
	Ms RM Lewis	(Appointed 19 June 2023)
Administrator/Trust Manager	Ms C Warnock	
Charity number	1158914	
Principal address	7 Lesbury Road Newcastle upon Tyne Tyne and Wear NE6 5LB	
Auditor	Robson Laidler Accountants Limited Fernwood House Fernwood Road Jesmond Newcastle upon Tyne Tyne and Wear England NE2 1TJ	
Bankers	The Unity Trust Bank Nine Brindley Bank Birmingham B1 2HB	
Solicitors	Ward Hadaway LLP Sandgate House 102 Quayside Newcastle upon Tyne NE1 3DX	
Investment advisors	Rathbone Greenbank Investment 10 Queen Square Bristol BS1 4NT	

THE MILLFIELD HOUSE FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2023

The trustees present their report with the financial statements of the charity for the year ended 5 April 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

History of the Foundation
MHF was founded by Grigor McClelland (1922-2013) in 1976 with shares in Laws Stores Ltd, a Tyneside based food retailing firm established by Arthur McClelland (1884-1966). The Foundation only had significant income after the firm was sold in 1985.

OBJECTIVES AND ACTIVITIES

Policies and objectives
The Foundation's objects are the support, using both capital and income at the Trustees' discretion, of any legally charitable object. However, the Trustees have decided that its principal objective at present should be to contribute to the improvement of social conditions and of the quality of life in the North East of England, primarily amongst those who are socially and economically most disadvantaged.

The Trustees seek to use the Foundation's resources to help build a better society, one more equal and less divided. The emphasis is on tackling the causes of poverty and inequality rather than alleviating the symptoms. The Trustees periodically review their grants policy to ensure that it fully supports the objects. Such a review took place between June 2019 and February 2020. Trustees considered all aspects of the Foundations work and re affirmed their commitment to a relational approach to grant making. The Board used this exercise to reflect on its understanding of the relationships is has built over time; it sees this as a continuous process. In the next five years Trustees will:

- Review the portfolio and create space for emergent organisations, activities or individuals where this is possible
- Monitor the performance of the endowment to ensure the Foundation continues to be financially viable for the long term
- Continue to think about how the Foundation itself can contribute to the mechanisms of change to reduce poverty and inequality in the North East.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Grantmaking policies
The Millfield House Foundation's aim is to tackle the underlying causes of poverty and inequality, particularly social and economic inequality, in the North East of England (i.e. Northumberland, Tyne and Wear, County Durham and Tees Valley). This is done by funding work, the ultimate goal of which is to change policy for the better. The Trustees do not accept unsolicited applications but support a small number of grant holders - called Strategic Partners - whose work has impressed them and whom they wish to support over a period of years.

The grants are given for core costs to be used at the discretion of the grant holder with the single stipulation that this be in support of campaigning or policy work. The Foundation seeks to develop a respectful and trusting relationship with grant holders enabling them to take a long view and to work steadily towards their goals. The Trustees ask to be kept informed of developments, positive and challenging, and offer patient support rather than tying grant holders to short term goals.

In 2018 Trustees made an additional award to support the professional development of the Strategic Partners in the form of a grant of £105,000 over three years to IPPR North to enable it to work with the other Strategic Partners on developing effective campaigning and policy skills. This joint work, called the Policy Learning Partnership, has evolved over the last three years; Strategic Partners work together, sharing learning, identifying areas to explore further and using the grant of £105,000 to co-commission and co-produce reports, including:

- with Citizen's Advice Newcastle looking at the impact of Universal Credit, in 2019
- in partnership with Youth Homelessness North East to explore young people's access to housing in the North East - report published in autumn 2020
- with North East Child Poverty Commission to explore learning from devolved administrations in how to tackle child poverty at a local level - report published in September 2020 (Newcastle University contributed £5,000 to the cost of this study)
- with all Strategic Partners looking at the nature of digital exclusion across the North East (commissioned in December 2020, report due for publication in September 2021)
- with VONNE to deliver a VCSE Policy Forum

Funding from the Policy Learning Partnership 'pot' was spent according to priorities agreed by the Strategic Partners themselves in a small exercise in devolved grant-making. The last of this funding was allocated at the end of 2022, with work funded via this mechanism to be complete by March 2024- with North East Child Poverty Commission to develop a child poverty strategy for the North East

The Foundation also supports a Strategic Partner's Learning Community, which provides a safe space for peer learning. The goal is to develop a positive error culture so that all six can learn from each other's experiences, both good and bad. The group meets quarterly.

MHF recognises that genuine, effective policy change requires a mix of approaches and outcomes. Most, though not all, policy work pushes in a direction rather than arriving immediately at the desired destination. Different skills, actions and opportunities can be described as coming together in an overall 'mosaic of change'. With its limited resources the Foundation cannot support the entire gamut of activities necessary to bring about profound policy shifts. The Trustees' grant making policy is, therefore, to support work which contributes to real change. This means that grant holders must identify not only what they are doing but also what others are doing to shape the desired change.

The Trustees reserve the ability to respond to or to seek out interesting developments which they may choose to fund in pursuit of their overall objective. Recognising the value of developing new relationships, in addition to those with existing Strategic Partners, in spring of 2022 Trustees issued an open call for expressions of interest in funding for policy work to address issues of poverty and inequality in the North East. Interested organisations were invited to have an initial, exploratory conversation with the Trust Manager. Notes from 31 conversations were considered by Trustees and five organisations were invited to submit a written application. At their meeting in October 2022, Trustees considered the five applications and decided to award two grants of £40,000 each over two years to Tyne and Wear Citizen's (toward its core costs) and National Energy Action (towards work to address fuel poverty in the North East). Both awards started in November 2022. Trustees felt this conversational, relational approach to grant making enabled them to get a valuable insight into the policy and influencing activities of a broad range of voluntary sector and civil society organisations across the region, without requiring hard pressed organisations to spend too much time on an application which would have a limited chance of success.

As a charity, the Foundation must confine its grants to purposes accepted in law as charitable. However, official guidance makes it clear that charities may include a variety of non-party political and campaigning activities to further their purposes. Guidance on campaigning by charities is available from the Charity Commission and from the Electoral Commission:

https://www.electoralcommission.org.uk/sites/default/files/pdf_file/intro-campaigning-charities-npc.pdf

The Trustees are aware that guidance on acceptable campaigning is continually changing and monitors the changes to ensure that their grants are used lawfully. They remain committed to the principle that charities should campaign on behalf of beneficiaries and on the circumstances that create or perpetuate poverty and inequality.

In pursuance of that principle, Trustees initiated and sponsored a new award at the North East Charity Awards in October 2021 to celebrate organisations' Outstanding Contribution to Social Change. Thrive Teesside were worthy winners in 2021, whilst Difference North East won in 2022. The quality of nominations was very high in each year.

ACHIEVEMENTS AND PERFORMANCE

Review of activities

In the year ended 5th April 2023 a total of £206,000 was committed in new grants (2022: £426,500). This includes: a further three-year commitment to IPPR North of £126,000; two new two-year grants to Tyne and Wear Citizens and National Energy Action of £40,000 each.

Grants paid during the year amounted to £257,048 (2022: £213,500). These are detailed in Note 14 to the financial statements. Further detail on grants can be found on the Foundation's website.

With regard to public benefit, the Trustees' principal concern is for the interests of communities and individuals in North East England in need. The Foundation's grants policy is unambiguous and, in the words of Joseph Rowntree, MHF seeks "to search out the underlying causes of weakness or evil in the community, rather than remedying their more superficial manifestations". Grant proposals are rigorously assessed to ensure that grants are consistent with the Foundation's stated aims of supporting initiatives that tackle poverty, disadvantage and exclusion, and promoting social and economic change. For each grant, Trustees carefully consider the needs addressed or the purpose pursued, the means of tackling the problem and the intended outcomes.

The Trust Manager provides regular monitoring and evaluation updates on current and recent grants to Trustees. In previous years Strategic Partners have reported in writing at least once a year; this year Trustees experimented with a written report from the Trust Manager, based on in-depth conversations with each Partner, to further reduce the reporting burden on Partners. In 2018-19 we introduced a 'pairing' programme, whereby each Strategic Partner is paired with an individual Trustee who meets with them twice a year, together with the Trust Manager, and reports back to the full Board. This new programme of engagement was reviewed in 2020-21 and Trustees agreed to continue this approach. Grant conditions include the stipulation that multi-year grant payments are conditional on receipt of a satisfactory annual review which enables Trustees to satisfy themselves that the grant has been used for the purpose for which it was approved and that the objectives intended for the previous year have been met.

Key performance indicators

The total return for the portfolio over the year to 5th April 2023 (after Rathbone's fees) was -8.35% which compares with -3.78% from the MSCI PIMFA Balanced Total Return benchmark. The benchmark's asset allocation is 25% fixed interest, 28% UK Equities, 32.5% overseas equities, 12.5% alternatives and 2% cash.

Investment policy and performance

The Trustees have met regularly with their investment manager Nicola Day from Rathbone Greenbank during 2022-23 to stay abreast of events as they impact on the endowment. The Trustees' investment policy is to maximise the growth of capital and income, subject to ethical constraints on the selection of stocks. The overall investment objectives required of Rathbone Greenbank are to create sufficient income and capital growth to enable the Foundation to carry out its purposes consistently year by year with due and proper consideration for future needs and the maintenance and, if possible, enhancement of the value of the invested funds. The portfolio is measured against a bespoke benchmark.

The Foundation's ethical policy has been agreed with the fund managers. When reviewing the ethical policy, to enable the investment managers to work to clear criteria, the Trustees established a distinction between major and minor ethical concerns.

After a turbulent year, the value of the investment portfolio at 5th April 2023 has fallen to £6,863,845 from £7,801,014 at 5th April 2022.

FINANCIAL REVIEW

Going concern
After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Trustees have considered going concern in the context of the coronavirus pandemic. The operational aspects of the Charity do not change. The continuing pandemic will have little or no impact on the Charity's current financial position other than its investments which are not required for operational purposes in the next twelve months following the approval of these Financial Statements.

Reserves policy
The Foundation received income from investments during the year of £156,276 (2022: £133,863). Grant and related support and governance costs were £240,515 (2022: £459,480) and investment managers' costs were £40,063 (2022: £49,232), leaving an excess of expenditure over incoming resources of £124,302 (2022: £364,849 before investment losses of £758,946 (2022: gains of £287,064). This has resulted in a net deficit for the year of £883,248 (2022: net deficit of £77,785).

The Trustees believe they should spend capital if there is a case to support new activities that cannot be funded out of current income; they have powers to spend capital as well as income. In 2006 the Trustees resolved to make an annual transfer from expendable endowment to unrestricted funds each year to cover any shortfall of incoming resources.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document
The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

Charity constitution
The Foundation's governing document is a trust deed signed on 18th May 2002; the original dated 26th March 1976 having been revised. There have been no changes in the objectives since the last annual report.

Methods of appointment or election of Trustees
New Trustees are appointed by existing Trustees; all vacancies are widely advertised through sector networks. Rhiannon Bearne retired as trustee and Chair at the meeting in May 2021, having served as a trustee for ten years. No new trustees were appointed during the year

Policies adopted for the induction and training of Trustees
New Trustees are appointed by existing Trustees; vacancies are advertised through sector networks. There were three resignations and three appointments during the year, as detailed below.

The trustees who served during the year and up to the date of signature of the financial statements were:

Ms L Seebohm	
Mr A Brownrigg	(Resigned 20 February 2023)
Mr J Walker	
Mr J McCabe	(Resigned 19 June 2023)
Dr Y Gale	
Mr PS Deans	(Resigned 1 October 2022)
Mr M Roche	(Appointed 19 June 2023)
Ms EL Richardson	(Appointed 19 June 2023)
Ms RM Lewis	(Appointed 19 June 2023)

Organisational structure and decision making
The Trustees are responsible for the management of the Foundation. The Chair is appointed from among the Trustees, usually for a three-year term. Laura Seebohm took on the role from May 2021.

The Trustees meet three times a year. These meetings usually take place in central Newcastle but took place via video conference in 2020-21 due to pandemic restrictions. One meeting is primarily dedicated to internal business, for example, approval of accounts, review of the risk policy and similar concerns. At the other two meetings Trustees may consider applications from invited applicants, meet grant holders and discuss any other initiatives they may wish to take. They also regularly receive and consider financial reports and reports on the Foundation's investments.

The Investment sub-committee has met at least twice a year and is chaired by Yvonne Gale. The sub-committee is responsible for scrutinising investment management reports, reporting to the Board on investment management issues and undertaking a regular review of investment management performance. In 2022 Trustees agreed to incorporate investment committee business into the main trustee meeting, involving all trustees in this aspect of trustee oversight. The Investment Chair continues to oversee this aspect of Trustees responsibilities. The day-to-day administration of the Foundation, including administration of grants and processing of applications prior to consideration by Trustees, is delegated to a Trust Manager. Cullagh Warnock has occupied this position since 1st May 2018. All contracts with external agencies are reviewed on a regular basis. As a result of such a review in spring 2021, Trustees invited new firms to tender to provide MHF with accountancy services and entered into a new agreement with Robson Laidler Accountants Limited.

Relationships with other agencies
The Foundation is a member of the North East Trust Secretaries Group and the NE Funders Network. It is also a member of the Association of Charitable Foundations, the Community Foundation serving Tyne & Wear and Northumberland, Voluntary Organisations' Network North East and Newcastle Council for Voluntary Service.

In 2020, the Foundation joined an initiative to champion open and trusting grant-making. Co-ordinated by IVAR, this partnership of funders and small charities from across the UK has developed eight commitments to open and trusting grant-making, asking funders to:
- make grants in a way that reflects the realities facing VCSE organisations now and for the foreseeable future
- manage grants and relationships in a way that reflects our confidence in and respect for the organisations we fund
The aspirations of this initiative very much reflect MHF's relational approach which is described in more detail here.

The Trust Manager co-convenes a national funders' interest group on Tackling Poverty, under the umbrella of the Association of Charitable Foundations. This group meets virtually, three times a year, hears from speakers and discusses interventions that funders can make.

Millfield House Foundation works closely with statutory and voluntary bodies whose interests overlap with its own but retains its complete independence in respect of grant decisions. The Foundation registered as a Living Wage Funder.

Risk management
The Trustees regularly review their roles and responsibilities in the light of the Charity Commission's guidance and consider the major risks to which the charity is exposed. They have adopted a strategy and procedures for management of risk, including potential conflicts of interest. Trustees review and update the Foundation's risk register and associated policy annually.

The Trustees maintain a Register of Interests and have adopted procedures for the declaration of interests at Trustees' meetings. If a Trustee or the Trust Manager has an interest in an organisation being considered for a grant, s/he withdraws from the meeting while the application is discussed and a decision is made.

Future developments

The guiding principle for all MHF's funding is that it should contribute to tackling poverty and/or inequality. The Trustees hope that, by investing for a continuous period and with substantial unrestricted grants in carefully selected strategic partners, they will over time make an impact on the policy decisions that can address poverty and inequality. They recognise that discerning the impact their grants make in such a broad context may be impossible but they look to grant holders to keep them informed of developments and to give indications of progress towards ultimate goals.

Trustees have been heartened to see both the impact of individual Strategic Partners, but also of the increasing amount of work Partners are undertaking together, toward common objectives. For example: all Partners have contributed to an IPPR North report about digital exclusion in the North East (published in September 2021); IPPR North and North East Child Poverty Commission are currently working with organisations across the region to develop a child poverty strategy for the region. Both these pieces of work were funded and commissioned through the MHF Policy Learning Partnership.

Trustees reviewed the Policy Learning Partnership and decided that, whilst it had funded some valuable partnership work, there was a danger that it might displace other funding. They agreed not to re-fund the Partnership in its original format, but to be open to supporting other opportunities for joint work in the future on an individual basis.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 charity and of the incoming resources and application of resources of the charity for that year.

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

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable 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 charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' report was approved by the Board of Trustees.

Ms L Seebohm
Trustee

Dr Y Gale
Trustee

23 October 2023

THE MILLFIELD HOUSE FOUNDATION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE MILLFIELD HOUSE FOUNDATION

Opinion

We have audited the financial statements of The Millfield House Foundation (the 'charity') for the year ended 5 April 2023 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including 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 charity's affairs as at 5 April 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE MILLFIELD HOUSE FOUNDATION

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees 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 charity'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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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:

The risk of material misstatement due to error or fraud has been assessed in conjunction with how internal controls may mitigate any such risk. These controls are reviewed as part of the audit by performing systems walkthroughs to ensure they are operating effectively. Other substantive testing is also performed on all material balances and therefore and instances of non-compliance should be identified or considered as insignificant.

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

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

THE MILLFIELD HOUSE FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE MILLFIELD HOUSE FOUNDATION

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Robson Laidler Accountants Ltd

Robson Laidler Accountants Limited

23 October 2023

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Statutory Auditor

Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
Tyne and Wear
England
NE2 1TJ

Robson Laidler Accountants Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE MILLFIELD HOUSE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 5 APRIL 2023

Current financial year

	Notes	Unrestricted funds 2023 £	Endowment funds 2023 £	Total 2023 £	Total 2022 £
Income from:					
Donations and legacies	2	-	-	-	10,000
Investments	3	156,276	-	156,276	133,863
Total income		156,276	-	156,276	143,863
Expenditure on:					
Raising funds	4	40,063	-	40,063	49,232
Charitable activities	6	240,515	-	240,515	459,480
Total expenditure		280,578	-	280,578	508,712
Net gains/(losses) on investments		-	(758,946)	(758,946)	287,064
Net outgoing resources before transfers		(124,302)	(758,946)	(883,248)	(77,785)
Gross transfers between funds		124,302	(124,302)	-	-
Net movement in funds		-	(883,248)	(883,248)	(77,785)
Fund balances at 6 April 2022		-	7,331,427	7,331,427	7,409,212
Fund balances at 5 April 2023		-	6,448,179	6,448,179	7,331,427

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE MILLFIELD HOUSE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

Prior financial year

	Notes	Unrestricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
Income from:				
Donations and legacies	2	10,000	-	10,000
Investments	3	133,863	-	133,863
Total income		143,863	-	143,863
Expenditure on:				
Raising funds	4	49,232	-	49,232
Charitable activities	6	459,480	-	459,480
Total expenditure		508,712	-	508,712
Net gains/(losses) on investments		-	287,064	287,064
Net outgoing resources before transfers		(364,849)	287,064	(77,785)
Gross transfers between funds		364,849	(364,849)	-
Net movement in funds		-	(77,785)	(77,785)
Fund balances at 6 April 2021		-	7,409,212	7,409,212
Fund balances at 5 April 2022		-	7,331,427	7,331,427

THE MILLFIELD HOUSE FOUNDATION

BALANCE SHEET

AS AT 5 APRIL 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Investments	**9**		6,863,844		7,801,015
Current assets					
Debtors	**10**	5,879		5,267	
Cash at bank and in hand		622		703	
		6,501		5,970	
Creditors: amounts falling due within one year	**11**	(276,166)		(223,558)	
Net current liabilities			(269,665)		(217,588)
Total assets less current liabilities			6,594,179		7,583,427
Creditors: amounts falling due after more than one year	**12**		(146,000)		(252,000)
Net assets			6,448,179		7,331,427
Capital funds					
Endowment funds - general			6,448,179		7,331,427
Income funds					
Unrestricted funds			-		-
			6,448,179		7,331,427

The financial statements were approved by the Trustees on 23 October 2023

Ms L Seebohm
Trustee

Dr Y Gale
Trustee

THE MILLFIELD HOUSE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2023

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1 Accounting policies

Charity information

The Millfield House Foundation is a grant making charity, registration number: 1158914. The principal operating address is 7 Lesbury Road, Heaton, Newcastle upon Tyne, NE6 5LB

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the investments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1 Accounting policies **(Continued)**

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

1.6 Taxation

The charity is exempt from tax on it charitable activities.

1.7 Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

1.8 Interest

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 institution with whom the funds are deposited.

1.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains / losses on investments' in the Statement of Financial Activities.

2 Donations and legacies

	Total Unrestricted funds	
	2023	**2022**
	£	**£**
Donations and gifts	-	10,000

3 Investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Dividends and distributions	156,276	133,863

4 Raising funds

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Portfolio management	40,063	49,232
	40,063	49,232

5 Charitable activities

	Grants Awarded 2023 £	Grants Awarded 2022 £
Grant funding of activities (see note 6)	206,000	426,500
Share of support costs (see note 7)	27,580	25,672
Share of governance costs (see note 7)	6,935	7,308
	240,515	459,480

6 Grants awarded in the year

	Grants Awarded 2023 £	Grants Awarded 2022 £
Grants awarded to institutions in the year:		
Regional Refugee Forum North East	-	3,500
IPPR North	126,000	42,000
Citizens Advice	-	126,000
Durham University	-	3,000
VONNE	-	126,000
Newcastle University	-	126,000
National Energy Action	40,000	-
Citizen's UK	40,000	-
	206,000	426,500

7 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Administration costs	24,150	-	24,150	24,065	-	24,065
Subscriptions	815	-	815	618	-	618
Trustees meetings & expenses	571	-	571	93	-	93
Website maintenance & sundries	-	-	-	792	-	792
Photocopying & postage	959	-	959	9	-	9
General expenses	1,085	-	1,085	95	-	95
Audit fees	-	3,095	3,095	-	3,000	3,000
Legal and professional	-	3,840	3,840	-	4,308	4,308
	27,580	6,935	34,515	25,672	7,308	32,980
Analysed between						
Charitable activities	27,580	6,935	34,515	25,672	7,308	32,980

Governance costs includes payments to the auditors of £3,000 (2022- £3,000) for audit fees.

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

During the year ended 5 April 2023, expenses totalling £571 were reimbursed or paid directly to trustees (2022: £93)

9 Fixed asset investments

	Listed investments	Cash in portfolio	Total
	£		£
Cost or valuation			
At 6 April 2022	7,547,100	253,915	7,801,015
Additions	1,334,271	-	1,334,271
Valuation changes	(758,946)	-	(758,946)
Movement in cash held	-	(99,534)	(99,534)
Disposals	(1,412,961)	-	(1,412,961)
At 5 April 2023	6,709,464	154,381	6,863,845
Carrying amount			
At 05 April 2023	6,709,464	154,381	6,863,845
At 05 April 2022	7,547,100	253,915	7,801,015

There were no investment assets outside the UK.

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets. The basis of fair valuation for quoted investments is equivalent to the market value.

The main risk to the Foundation from these financial instruments lies in the combination of uncertain investment markets and volatility of yield. The Foundation manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Foundation does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for the longer term.

There were no investments that represent more than 5% of the investment holdings.

10 Debtors

	2023	2022
Amounts falling due within one year:	£	£
Prepayments and accrued income	5,879	5,267

11 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	2,048	2,048
Other creditors	260,952	206,000
Accruals and deferred income	13,166	15,510
	276,166	223,558

Included in other creditors are the following grant commitments:

	2023	2022
	£	£
Newcastle University	42,000	42,000
Regional Refugee Forum North East	42,000	42,000
VONNE	42,000	42,000
IPPR North	52,952	35,000
Citizens Advice	42,000	42,000
Durham university	-	3,000
National Energy Action	20,000	-
Citizen's UK	20,000	-
Total	**260,952**	**206,000**

The above grants had been agreed by the Trustees but not paid at the year end.

12 Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Other creditors	146,000	252,000

Included in other creditors are the following grant commitments:

	2023	2022
	£	£
Regional Refugee Forum North East	-	42,000
VONNE	42,000	84,000
Citizens Advice	-	42,000
Newcastle University	42,000	84,000
IPPR North	42,000	-
National Energy Action	10,000	-
Citizen's UK	10,000	-
Total	**146,000**	**252,000**

The above grants had been agreed by the Trustees but not paid at the year end.

13 Analysis of net assets between funds

	Unrestricted funds 2023	Endowment funds 2023	Total 2023	Unrestricted funds 2022	Endowment funds 2022	Total 2022
	£	£	£	£	£	£
Fund balances at 5 April 2023 are represented by:						
Investments	-	6,863,844	6,863,844	-	7,801,015	7,801,015
Current assets/(liabilities)	-	(269,665)	(269,665)	-	(217,588)	(217,588)
Long term liabilities	-	(146,000)	(146,000)	-	(252,000)	(252,000)
	-	6,448,179	6,448,179	-	7,331,427	7,331,427

14 Grant commitments paid

The following grant commitments have been paid in the year

Regional Refugee Forum North East The second instalment of a grant commitment made in 2020-2021 for £126,000	42,000
Newcastle University The first instalment of a grant commitment made in 2021-2022 for £126,000	42,000
Voluntary Organisations Network North East (VONNE) The first instalment of a grant commitment made in 2021-2022 for £126,000	42,000
IPPR North The first instalment of a grant commitment made in 2022-2023 for £126,000	42,000
Citizens Advice Newcastle The second instalment of a grant commitment made in 2020-2021 for £126,000	42,000
Citizens UK The first instalment of a grant commitment made in 2022-2023 for £40,000	10,000
National Energy Action The first instalment of a grant commitment made in 2022-2023 for £40,000	10,000
Durham University One off grant commitment made in 2021-2022 for £3,000	3,000
Voluntary Organisations Network North East (VONNE) PLP grant for VCSE policy forum	7,648
IPPR North PLP grant for VCSE policy forum	3,300
IPPR North PLP grant for child poverty work	8,100
Newcastle University PLP grant for child poverty work	5,000

THE MILLFIELD HOUSE FOUNDATION (1)

England & Wales - Charity number 1158914

Accounts

Charity registration number 1158914

THE MILLFIELD HOUSE FOUNDATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2022

THE MILLFIELD HOUSE FOUNDATION

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THE MILLFIELD HOUSE FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms L Seebohm Mr A Brownrigg Mr J Walker Mr J McCabe Dr Y Gale Mr PS Deans
Administrator/Trust Manager	Ms C Warnock
Charity number	1158914
Principal address	7 Lesbury Road Newcastle upon Tyne Tyne and Wear NE6 5LB
Auditor	Robson Laidler Accountants Limited Fernwood House Fernwood Road Jesmond Newcastle Upon Tyne Tyne and Wear England NE2 1TJ
Bankers	The Unity Trust Bank Nine Brindley Bank Birmingham B1 2HB
Solicitors	Ward Hadaway LLP Sandgate House 102 Quayside Newcastle upon Tyne NE1 3DX
Investment advisors	Rathbone Greenbank Investment 10 Queen Square Bristol BS1 4NT

THE MILLFIELD HOUSE FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2022

The trustees present their report with the financial statements of the charity for the year ended 5 April 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

History of the Foundation
MHF was founded by Grigor McClelland (1922-2013) in 1976 with shares in Laws Stores Ltd, a Tyneside based food retailing firm established by Arthur McClelland (1884-1966). The Foundation only had significant income after the firm was sold in 1985.

OBJECTIVES AND ACTIVITIES

Policies and objectives
The Foundation's objects are the support, using both capital and income at the Trustees' discretion, of any legally charitable object. However, the Trustees have decided that its principal objective at present should be to contribute to the improvement of social conditions and of the quality of life in the North East of England, primarily amongst those who are socially and economically most disadvantaged.

The Trustees seek to use the Foundation's resources to help build a better society, one more equal and less divided. The emphasis is on tackling the causes of poverty and inequality rather than alleviating the symptoms. The Trustees periodically review their grants policy to ensure that it fully supports the objects. Such a review took place between June 2019 and February 2020. Trustees considered all aspects of the Foundations work and re affirmed their commitment to a relational approach to grant making. The Board used this exercise to reflect on its understanding of the relationships is has built over time; it sees this as a continuous process. In the next five years Trustees will:

- Review the portfolio and create space for emergent organisations, activities or individuals where this is possible
- Monitor the performance of the endowment to ensure the Foundation continues to be financially viable for the long term
- Continue to think about how the Foundation itself can contribute to the mechanisms of change to reduce poverty and inequality in the North East.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Grantmaking policies
The Millfield House Foundation's aim is to tackle the underlying causes of poverty and inequality, particularly social and economic inequality, in the North East of England (i.e. Northumberland, Tyne and Wear, County Durham and Tees Valley). This is done by funding work, the ultimate goal of which is to change policy for the better. The Trustees do not accept unsolicited applications but support a small number of grant holders - called Strategic Partners - whose work has impressed them and whom they wish to support over a period of years.

The grants are given for core costs to be used at the discretion of the grant holder with the single stipulation that this be in support of campaigning or policy work. The Foundation seeks to develop a respectful and trusting relationship with grant holders enabling them to take a long view and to work steadily towards their goals. The Trustees ask to be kept informed of developments, positive and challenging, and offer patient support rather than tying grant holders to short term goals.

In 2018 Trustees made an additional award to support the professional development of the Strategic Partners in the form of a grant of £105,000 over three years to IPPR North to enable it to work with the other Strategic Partners on developing effective campaigning and policy skills. This joint work, called the Policy Learning Partnership, has evolved over the last three years; Strategic Partners work together, sharing learning, identifying areas to explore further and using the grant of £105,000 to co-commission and co-produce reports, including:

- with Citizen's Advice Newcastle looking at the impact of Universal Credit, in 2019
- in partnership with Youth Homelessness North East to explore young people's access to housing in the North East - report published in autumn 2020
- with North East Child Poverty Commission to explore learning from devolved administrations in how to tackle child poverty at a local level - report published in September 2020 (Newcastle University contributed £5,000 to the cost of this study)
- with all Strategic Partners looking at the nature of digital exclusion across the North East (commissioned in December 2020, report due for publication in September 2021)

The Foundation also supports a Strategic Partner's Learning Community, which provides a safe space for peer learning. The goal is to develop a positive error culture so that all six can learn from each other's experiences, both good and bad. The group meets quarterly.

Finally, the Trustees reserve the ability to respond to or to seek out interesting developments which they may choose to fund in pursuit of their overall objective.

MHF recognises that genuine, effective policy change requires a mix of approaches and outcomes. Most, though not all, policy work pushes in a direction rather than arriving immediately at the desired destination. Different skills, actions and opportunities can be described as coming together in an overall 'mosaic of change'. With its limited resources the Foundation cannot support the entire gamut of activities necessary to bring about profound policy shifts. The Trustees' grant making policy is, therefore, to support work which contributes to real change. This means that grant holders must identify not only what they are doing but also what others are doing to shape the desired change.

As a charity, the Foundation must confine its grants to purposes accepted in law as charitable. However, official guidance makes it clear that charities may include a variety of non-party political and campaigning activities to further their purposes. Guidance on campaigning by charities is available from the Charity Commission and from the Electoral Commission:

https://www.electoralcommission.org.uk/sites/default/files/pdf_file/intro-campaigning-charities-npc.pdf

The Trustees are aware that guidance on acceptable campaigning is continually changing and monitors the changes to ensure that their grants are used lawfully. They remain committed to the principle that charities should campaign on behalf of beneficiaries and on the circumstances that create or perpetuate poverty and inequality. In pursuance of that principle, Trustees made two additional commitments in 2021-22:

- Trustees initiated and sponsored a new award at the North East Charity Awards in October 2021 to celebrate organisations' Outstanding Contribution to Social Change. Thrive Teesside were worthy winners and the quality of nominations was very high. Trustees have since agreed to sponsor this award for a further two years.
- Trustees made a £3,000 contribution to the 2022 round of Durham University's long-standing Third Sector Trends study. This funding will support a series of questions designed to learn more about the North East voluntary and community sector's interest in, and capacity to undertake, policy and campaign work.

ACHIEVEMENTS AND PERFORMANCE

Review of activities

In the year ended 5th April 2022 a total of £426,500 was committed in new grants (2021: £166,000). This includes: new three-year commitments to Citizens Advice Newcastle, Newcastle University (for North East Child Poverty Commission) and Voluntary Organisations Network North East (VONNE); a one year extension to IPPR North's award; an additional small grant for consultancy support for Regional Refugee Forum North East; a grant to Durham University for Third Sector Trends.

Grants paid during the year amounted to £213,500 (2021: £224,000). These are detailed in Note 14 to the financial statements.

With regard to public benefit, the Trustees' principal concern is for the interests of communities and individuals in North East England in need. The Foundation's grants policy is unambiguous and, in the words of Joseph Rowntree, MHF seeks "to search out the underlying causes of weakness or evil in the community, rather than remedying their more superficial manifestations". Grant proposals are rigorously assessed to ensure that grants are consistent with the Foundation's stated aims of supporting initiatives that tackle poverty, disadvantage and exclusion, and promoting social and economic change. For each grant, Trustees carefully consider the needs addressed or the purpose pursued, the means of tackling the problem and the intended outcomes.

The Trust Manager provides regular monitoring and evaluation updates on current and recent grants to Trustees; Strategic Partners report in writing at least once a year. In 2018-19 we introduced a 'pairing' programme, whereby each Strategic Partner is paired with an individual Trustee who meets with them two to three times a year, together with the Trust Manager, and reports back to the full Board. This new programme of engagement was reviewed in 2020-21 and it was agreed to continue this approach. Grant conditions include the stipulation that multi-year grant payments are conditional on receipt of a satisfactory annual review which enables Trustees to satisfy themselves that the grant has been used for the purpose for which it was approved and that the objectives intended for the previous year have been met.

A brief description of each grant paid and committed during the year ended 5th April 2022 is given in Note 17 to these Financial Statements. Further detail on grants can be found on the Foundation's website.

Key performance indicators

The total return for the portfolio over the year to 5th April 2022 (after Rathbone's fees) was 4.76% which compares with 7.31% from the MSCI PIMFA Balanced Total Return benchmark. The benchmark's asset allocation is 17.5% fixed interest, 30% UK Equities, 32.5% overseas equities, 15% alternatives and 5% cash.

Investment policy and performance

The Trustees have met regularly with their investment manager Nicola Day from Rathbone Greenbank during 2021-22 to stay abreast of events as they impact on the endowment. The Trustees' investment policy is to maximise the growth of capital and income, subject to ethical constraints on the selection of stocks. The overall investment objectives required of Rathbone Greenbank are to create sufficient income and capital growth to enable the Foundation to carry out its purposes consistently year by year with due and proper consideration for future needs and the maintenance and, if possible, enhancement of the value of the invested funds. The portfolio is measured against a bespoke benchmark.

The Foundation's ethical policy has been agreed with the fund managers. When reviewing the ethical policy, to enable the investment managers to work to clear criteria, the Trustees established a distinction between major and minor ethical concerns.

Despite another turbulent year, the value of the investment portfolio at 5th April 2022 has risen slightly to £7,801,015 from £7,666,219 at 5th April 2021.

FINANCIAL REVIEW

Going concern
After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Trustees have considered going concern in the context of the coronavirus pandemic. The operational aspects of the Charity do not change. The continuing pandemic will have little or no impact on the Charity's current financial position other than its investments which are not required for operational purposes in the next twelve months following the approval of these Financial Statements.

Reserves policy
The Foundation received income from investments during the year of £133,863 (2021: £108,726). Grant and related support and governance costs were £459,480 (2021: £193,940) and investment managers' costs were £49,232 (2021: £44,165), leaving an excess of expenditure over incoming resources of £364,849 (2021: £129,379) before investment gains of £287,064 (2021: £1,735,688). This has resulted in a net deficit for the year of £77,785 (2021: net surplus of £1,606,309).

The Trustees believe they should spend capital if there is a case to support new activities that cannot be funded out of current income; they have powers to spend capital as well as income. In 2006 the Trustees resolved to make an annual transfer from expendable endowment to unrestricted funds each year to cover any shortfall of incoming resources.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document
The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

Charity constitution
The Foundation's governing document is a trust deed signed on 18th May 2002; the original dated 26th March 1976 having been revised. There have been no changes in the objectives since the last annual report.

Methods of appointment or election of Trustees
New Trustees are appointed by existing Trustees; all vacancies are widely advertised through sector networks. Rhiannon Bearne retired as trustee and Chair at the meeting in May 2021, having served as a trustee for ten years. No new trustees were appointed during the year

Policies adopted for the induction and training of Trustees
New Trustees receive extensive briefing and are provided with comprehensive documentation about the Foundation. Before their appointment, prospective Trustees meet the Trustees and the Trust Manager informally and attend at least one Trustees' meeting in the capacity of observers.

MHF is a member of the Association of Charitable Foundations and all Trustees receive information from ACF. Trustees are encouraged to attend relevant meetings and conferences and the Foundation funds such training as may be appropriate. Trustees regularly attend local and national events held by grant holders or on matters related to their grant making policy and to stay informed of current local and national issues.

The trustees who served during the year and up to the date of signature of the financial statements were:
Ms L Seebohm
Mr A Brownrigg
Mr J Walker
Mr J McCabe
Dr Y Gale
Mr PS Deans

Organisational structure and decision making
The Trustees are responsible for the management of the Foundation. The Chair is appointed from among the Trustees, usually for a three-year term. Rhiannon Bearne was the Chair from May 2018 to May 2021, Laura Seebohm took on the role from May 2021.

The Trustees meet three times a year. These meetings usually take place in central Newcastle but have taken place via video conference in 2020-21 due to pandemic restrictions. One meeting is primarily dedicated to internal business, for example, approval of accounts, review of the risk policy and similar concerns. At the other two meetings Trustees may consider applications from invited applicants, meet grant holders and discuss any other initiatives they may wish to take. They also regularly receive and consider financial reports and reports on the Foundation's investments.

The Investment sub-committee meets at least twice a year and is chaired by Yvonne Gale. The sub-committee is responsible for scrutinising investment management reports, reporting to the Board on investment management issues and undertaking a regular review of investment management performance. The day-to-day administration of the Foundation, including administration of grants and processing of applications prior to consideration by Trustees, is delegated to a Trust Manager. Cullagh Warnock has occupied this position since 1st May 2018. All contracts with external agencies are reviewed on a regular basis. As a result of such a review in spring 2021, Trustees invited new firms to tender to provide MHF with accountancy services and entered into a new agreement with Robson Laidler Accountants Limited.

Relationships with other agencies
The Foundation is a member of the North East Trust Secretaries Group and the NE Funders Network. It is also a member of the Association of Charitable Foundations, the Community Foundation serving Tyne & Wear and Northumberland, Voluntary Organisations' Network North East and Newcastle Council for Voluntary Service.

In 2020, the Foundation joined an initiative to champion open and trusting grant-making. Co-ordinated by IVAR, this partnership of funders and small charities from across the UK has developed eight commitments to open and trusting grant-making, asking funders to:
- make grants in a way that reflects the realities facing VCSE organisations now and for the foreseeable future
- manage grants and relationships in a way that reflects our confidence in and respect for the organisations we fund
The aspirations of this initiative very much reflect MHF's relational approach which is described in more detail here.

The Trust Manager co-convenes a national funders' interest group on Tackling Poverty, under the umbrella of the Association of Charitable Foundations. This group meets virtually, three times a year, hears from speakers and discusses interventions that funders can make.

Millfield House Foundation works closely with statutory and voluntary bodies whose interests overlap with its own but retains its complete independence in respect of grant decisions. The Foundation registered as a Living Wage Funder.

Risk management
The Trustees regularly review their roles and responsibilities in the light of the Charity Commission's guidance and consider the major risks to which the charity is exposed. They have adopted a strategy and procedures for management of risk, including potential conflicts of interest. Trustees review and update the Foundation's risk register and associated policy annually.

The Trustees maintain a Register of Interests and have adopted procedures for the declaration of interests at Trustees' meetings. If a Trustee or the Trust Manager has an interest in an organisation being considered for a grant, s/he withdraws from the meeting while the application is discussed and a decision is made.

Future developments

The guiding principle for all MHF's funding is that it should contribute to tackling poverty and/or inequality. The Trustees hope that, by investing for a continuous period and with substantial unrestricted grants in carefully selected strategic partners, they will over time make an impact on the policy decisions that can address poverty and inequality. They recognise that discerning the impact their grants make in such a broad context may be impossible but they look to grant holders to keep them informed of developments and to give indications of progress towards ultimate goals.

Trustees have been heartened to see both the impact of individual Strategic Partners, but also of the increasing amount of work Partners are undertaking together, toward common objectives. For example, all Partners have contributed to an IPPR North report about digital exclusion in the North East (to be published in September 2021). This report is funded and commissioned through the MHF Policy Learning Partnership.

Trustees were pleased with the quality of nominations to the Charity Award for Outstanding Contribution to Social Change and will sponsor this award again in 2022. Trustees also plan to offer the opportunity for a small number of new grants to organisations they are not currently supporting, again in 2022.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 charity and of the incoming resources and application of resources of the charity for that year.

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

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable 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 charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' report was approved by the Board of Trustees.

Ms L Seebohm
Trustee

~~Mr A Browning~~ Y Gale
Trustee

Date: 17/10/22

THE MILLFIELD HOUSE FOUNDATION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE MILLFIELD HOUSE FOUNDATION

Opinion

We have audited the financial statements of The Millfield House Foundation (the 'charity') for the year ended 5 April 2022 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including 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 charity's affairs as at 5 April 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees 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 charity'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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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:

The risk of material misstatement due to error or fraud has been assessed in conjunction with how internal controls may mitigate any such risk. These controls are reviewed as part of the audit by performing systems walkthroughs to ensure they are operating effectively. Other substantive testing is also performed on all material balances and therefore and instances of non-compliance should be identified or considered as insignificant.

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

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF THE MILLFIELD HOUSE FOUNDATION

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Robson Laidler Accountants Ltd

Robson Laidler Accountants Limited

20 October 2022.

Statutory Auditor

Fernwood House
Fernwood Road
Jesmond
Newcastle Upon Tyne
Tyne and Wear
England
NE2 1TJ

Robson Laidler Accountants Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE MILLFIELD HOUSE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 5 APRIL 2022

Current financial year

	Notes	Unrestricted funds 2022 £	Endowment funds 2022 £	Total 2022 £	Total 2021 £
Income from:					
Donations and legacies	2	10,000	-	10,000	-
Investments	3	133,863	-	133,863	108,726
Total income		143,863	-	143,863	108,726
Expenditure on:					
Raising funds	4	49,232	-	49,232	44,165
Charitable activities	6	459,480	-	459,480	193,940
Total expenditure		508,712	-	508,712	238,105
Net gains/(losses) on investments		-	287,064	287,064	1,735,688
Gross transfers between funds		364,849	(364,849)	-	-
Net movement in funds		-	(77,785)	(77,785)	1,606,309
Fund balances at 6 April 2021		-	7,409,212	7,409,212	5,802,903
Fund balances at 5 April 2022		-	7,331,427	7,331,427	7,409,212

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE MILLFIELD HOUSE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

Prior financial year

	Notes	Unrestricted funds 2021 £	Endowment funds 2021 £	Total 2021 £
Income from:				
Investments	3	108,726	-	108,726
Total income		108,726	-	108,726
Expenditure on:				
Raising funds	4	44,165	-	44,165
Charitable activities	6	193,940	-	193,940
Total expenditure		238,105	-	238,105
Net gains/(losses) on investments		-	1,735,688	1,735,688
Net (outgoing)/incoming resources before transfers		(129,379)	1,735,688	1,606,309
Gross transfers between funds		129,379	(129,379)	-
Net movement in funds		-	1,606,309	1,606,309
Fund balances at 6 April 2020		-	5,802,903	5,802,903
Fund balances at 5 April 2021		-	7,409,212	7,409,212

THE MILLFIELD HOUSE FOUNDATION

BALANCE SHEET

AS AT 5 APRIL 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Investments	9		7,801,015		7,666,219
Current assets					
Debtors	10	5,267		3,899	
Cash at bank and in hand		703		464	
		5,970		4,363	
Creditors: amounts falling due within one year	11	(223,558)		(177,370)	
Net current liabilities			(217,588)		(173,007)
Total assets less current liabilities			7,583,427		7,493,212
Creditors: amounts falling due after more than one year	12		(252,000)		(84,000)
Net assets			7,331,427		7,409,212
Capital funds					
Endowment funds - general			7,331,427		7,409,212
Income funds					
Unrestricted funds			-		-
			7,331,427		7,409,212

The financial statements were approved by the Trustees on 17 Oct 2022

Ms L Seebohm
Trustee

1 Accounting policies

Charity information

The Millfield House Foundation is a grant making charity, registration number: 1158914. The principal operating address is 7 Lesbury Road, Heaton, Newcastle upon Tyne, NE6 5LB

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the investments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1 Accounting policies **(Continued)**

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

1.6 Taxation

The charity is exempt from tax on it charitable activities.

1.7 Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

1.8 Interest

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 institution with whom the funds are deposited.

1.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains / losses on investments' in the Statement of Financial Activities.

2 Donations and legacies

	Unrestricted funds	Total
	2022	2021
	£	£
Donations and gifts	10,000	-

3 Investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Dividends and distributions	133,863	108,726

4 Raising funds

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Portfolio management	49,232	44,165
	49,232	44,165

5 Charitable activities

	Grants Awarded 2022 £	Grants Awarded 2021 £
Grant funding of activities (see note 6)	426,500	166,000
Share of support costs (see note 7)	25,672	24,940
Share of governance costs (see note 7)	7,308	3,000
	459,480	193,940

6 Grants awarded in the year

	Grants Awarded 2022 £	Grants Awarded 2021 £
Grants awarded to institutions in the year:		
Regional Refugee Forum North East	3,500	126,000
IPPR North	42,000	-
Citizens Advice	126,000	40,000
Third Sector Trends	3,000	-
VONNE	126,000	-
Newcastle University	126,000	-
	426,500	166,000

7 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
Administration costs	24,065	-	24,065	23,124	-	23,124
Subscriptions	618	-	618	802	-	802
Trustees meetings & expenses	93	-	93	75	-	75
Website maintenance & sundries	792	-	792	883	-	883
Photocopying & postage	9	-	9	56	-	56
General expenses	95	-	95	-	-	-
Audit fees	-	3,000	3,000	-	3,000	3,000
Legal and professional	-	4,308	4,308	-	-	-
	25,672	7,308	32,980	24,940	3,000	27,940
Analysed between Charitable activities	25,672	7,308	32,980	24,940	3,000	27,940

Governance costs includes payments to the auditors of £3,000 (2021- £3,000) for audit fees.

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

During the year ended 5 April 2022, expenses totalling £93 were reimbursed or paid directly to trustees (2021: £75)

9 Fixed asset investments

	Listed investments	Cash in portfolio	Total
	£		£
Cost or valuation			
At 6 April 2021	7,481,538	184,681	7,666,219
Additions	923,408	-	923,408
Valuation changes	287,064	-	287,064
Movement in cash held	-	69,234	69,234
Disposals	(1,144,910)	-	(1,144,910)
At 5 April 2022	7,547,100	253,915	7,801,015
Carrying amount			
At 05 April 2022	7,547,100	253,915	7,801,015
At 05 April 2021	7,481,538	184,681	7,666,219

There were no investment assets outside the UK.

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets. The basis of fair valuation for quoted investments is equivalent to the market value.

The main risk to the Foundation from these financial instruments lies in the combination of uncertain investment markets and volatility of yield. The Foundation manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Foundation does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for the longer term.

There were no investments that represent more than 5% of the investment holdings.

10 Debtors

	2022	2021
Amounts falling due within one year:	£	£
Prepayments and accrued income	5,267	3,899

11 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	2,048	1,962
Other creditors	206,000	161,000
Accruals and deferred income	15,510	14,408
	223,558	177,370

Included in other creditors are the following grant commitments:

	2022	2021
	£	£
Newcastle University	-	42,000
Regional Refugee Forum North East	42,000	42,000
VONNE	42,000	42,000
IPPR North	35,000	35,000
Citizens Advice	42,000	-
Newcastle University	42,000	-
Third Sector Trends	3,000	-
	206,000	161,000

The above grants had been agreed by the Trustees but not paid at the year end.

12 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Other creditors	252,000	84,000

Included in other creditors are the following grant commitments:

	2022	2021
	£	£
Regional Refugee Forum North East	42,000	84,000
VONNE	84,000	-
Citizens Advice	42,000	-
Newcastle University	84,000	-
	252,000	84,000

The above grants had been agreed by the Trustees but not paid at the year end.

13 Analysis of net assets between funds

	Unrestricted funds 2022	Endowment funds 2022	Total 2022	Unrestricted funds 2021	Endowment funds 2021	Total 2021
	£	£	£	£	£	£
Fund balances at 5 April 2022 are represented by:						
Investments	-	7,801,015	7,801,015	-	7,666,219	7,666,219
Current assets/(liabilities)	-	(217,588)	(217,588)	-	(173,007)	(173,007)
Long term liabilities	-	(252,000)	(252,000)	-	(84,000)	(84,000)
	-	7,331,427	7,331,427	-	7,409,212	7,409,212

14 Grant commitments paid

The following grant commitments have been agreed and paid in the year:	£
Regional Refugee Forum North East	3,500
IPPR North	42,000
Citizens Advice Newcastle First payment toward a 3 year grant of £126,000	42,000

Payments have also been made to the following organisations in respect of grant commitments agreed in previous periods:

Newcastle University The final instalment of a grant commitment made in 2019-2020 for £126,000	42,000
Regional Refugee Forum North East The first instalment of a grant commitment made in 2020-2021 for £126,000	42,000
Voluntary Organisations Network North East (VONNE) The final instalment of a grant commitment made in 2018-2019	42,000

15 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

THE MILLFIELD HOUSE FOUNDATION (1)

England & Wales - Charity number 1158914

Accounts

REGISTERED CHARITY NUMBER: 1158914

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2021

FOR

THE MILLFIELD HOUSE FOUNDATION

Robson Laidler Accountants Limited
Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
NE2 1TJ

THE MILLFIELD HOUSE FOUNDATION

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FOR THE YEAR ENDED 5 APRIL 2021

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THE MILLFIELD HOUSE FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 5 APRIL 2021

Registered Charity number
1158914

Principal address
7 Lesbury Road
Heaton
Newcastle upon Tyne
NE6 5LB

Trustees
Rhiannon Beame - Chair
Yvonne Gale
Peter Deans
Lyn Cole - retired 12/05/2020
Mike Hill - retired 12/05/2020
Toby Lowe - retired 12/05/2020
Allan Brownrigg - appointed 22/2/2021
Jonathan Walker - appointed 22/2/2021
John McCabe - appointed 12/10/2020
Laura Seebohm

Administrator / Trust Manager
Cullagh Warnock

Bankers
The Unity Trust Bank
Nine Brindley Place
Birmingham
B1 2HB

Auditors
Robson Laidler Accountants Limited
Statutory Auditor
Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
NE2 1TJ

Solicitors
Ward Hadaway
Sandgate House
102 Quayside
Newcastle upon Tyne
NE1 3DX

Investment managers
Rathbone Greenbank Investments
10 Queen Square
Bristol
BS1 4NT

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 5 APRIL 2021

The trustees present their report with the financial statements of the charity for the year ended 5 April 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

History of the Foundation

MHF was founded by Grigor McClelland (1922-2013) in 1976 with shares in Laws Stores Ltd, a Tyneside based food retailing firm established by Arthur McClelland (1884-1966). The Foundation only had significant income after the firm was sold in 1985.

OBJECTIVES AND ACTIVITIES

Policies and objectives

The Foundation's objects are the support, using both capital and income at the Trustees' discretion, of any legally charitable object. However, the Trustees have decided that its principal objective at present should be to contribute to the improvement of social conditions and of the quality of life in the North East of England, primarily amongst those who are socially and economically most disadvantaged.

The Trustees seek to use the Foundation's resources to help build a better society, one more equal and less divided. The emphasis is on tackling the causes of poverty and inequality rather than alleviating the symptoms. The Trustees periodically review their grants policy to ensure that it fully supports the objects. Such a review took place between June 2019 and February 2020. Trustees considered all aspects of the Foundations work and re affirmed their commitment to a relational approach to grant making. The Board used this exercise to reflect on its understanding of the relationships is has built over time; it sees this as a continuous process. In the next five years Trustees will:

- Review the portfolio and create space for emergent organisations, activities or individuals where this is possible
- Monitor the performance of the endowment to ensure the Foundation continues to be financially viable for the long term
- Continue to think about how the Foundation itself can contribute to the mechanisms of change to reduce poverty and inequality in the North East.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Grantmaking policies

The Millfield House Foundation's aim is to tackle the underlying causes of poverty and inequality, particularly social and economic inequality, in the North East of England (i.e. Northumberland, Tyne and Wear, County Durham and Tees Valley). This is done by funding work, the ultimate goal of which is to change policy for the better. The Trustees do not accept unsolicited applications but support a small number of grant holders - called Strategic Partners - whose work has impressed them and whom they wish to support over a period of years.

The grants are given for core costs to be used at the discretion of the grant holder with the single stipulation that this be in support of campaigning or policy work. The Foundation seeks to develop a respectful and trusting relationship with grant holders enabling them to take a long view and to work steadily towards their goals. The Trustees ask to be kept informed of developments, positive and challenging, and offer patient support rather than tying grant holders to short term goals.

OBJECTIVES AND ACTIVITIES
Grantmaking policies continued

In 2018 Trustees made an additional award to support the professional development of the Strategic Partners in the form of a grant of £105,000 over three years to IPPR North to enable it to work with the other Strategic Partners on developing effective campaigning and policy skills. This joint work, called the Policy Learning Partnership, has evolved over the last three years; Strategic Partners work together, sharing learning, identifying areas to explore further and using the grant of £105,000 to co-commission and co-produce reports, including:

- with Citizen's Advice Newcastle looking at the impact of Universal Credit, in 2019
- in partnership with Youth Homelessness North East to explore young people's access to housing in the North East - report published in autumn 2020
- with North East Child Poverty Commission to explore learning from devolved administrations in how to tackle child poverty at a local level - report published in September 2020 (Newcastle University contributed £5,000 to the cost of this study)
- with all Strategic Partners looking at the nature of digital exclusion across the North East (commissioned in December 2020, report due for publication in September 2021)

In 2020-21 Strategic Partners used some of this resource to commission IPPR North to develop a comprehensive data and evidence source to support and enhance their future policy work. Training on using the resource has taken place and Partners are now considering whether and how this can be made available to other voluntary sector organisations.

The Foundation also supports a Strategic Partner's Learning Community, which provides a safe space for peer learning. The goal is to develop a positive error culture so that all six can learn from each other's experiences, both good and bad. The group meets quarterly and, in the last year, has begun meeting via video conference.

Finally, the Trustees reserve the ability to respond to or to seek out interesting developments which they may choose to fund in pursuit of their overall objective.

MHF recognises that genuine, effective policy change requires a mix of approaches and outcomes. Most, though not all, policy work pushes in a direction rather than arriving immediately at the desired destination. Different skills, actions and opportunities can be described as coming together in an overall 'mosaic of change'. With its limited resources the Foundation cannot support the entire gamut of activities necessary to bring about profound policy shifts. The Trustees' grant making policy is, therefore, to support work which contributes to real change. This means that grant holders must identify not only what they are doing but also what others are doing to shape the desired change.

As a charity, the Foundation must confine its grants to purposes accepted in law as charitable. However, official guidance makes it clear that charities may include a variety of non-party political and campaigning activities to further their purposes. Guidance on campaigning by charities is available from the Charity Commission and from the Electoral Commission:

https://www.electoralcommission.org.uk/sites/default/files/pdf_file/intro-campaigning-charities-npc.pdf

The Trustees are aware that guidance on acceptable campaigning is continually changing and monitors the changes to ensure that their grants are used lawfully. They remain committed to the principle that charities should campaign on behalf of beneficiaries and on the circumstances that create or perpetuate poverty and inequality.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 5 APRIL 2021

ACHIEVEMENT AND PERFORMANCE
Review of activities

In the year ended 5th April 2021 a total of £166,000 was committed in new grants (2020: £92,200). This includes a new three year commitment to North East Regional Refugee Service and a one year extension to Citizen's Advice Newcastle's award.

Grants paid during the year amounted to £224,000 (2020: £286,700). These are detailed in Note 17 to the financial statements.

With regard to public benefit, the Trustees' principal concern is for the interests of communities and individuals in North East England in need. The Foundation's grants policy is unambiguous and, in the words of Joseph Rowntree, MHF seeks "to search out the underlying causes of weakness or evil in the community, rather than remedying their more superficial manifestations". Grant proposals are rigorously assessed to ensure that grants are consistent with the Foundation's stated aims of supporting initiatives that tackle poverty, disadvantage and exclusion, and promoting social and economic change. For each grant, Trustees carefully consider the needs addressed or the purpose pursued, the means of tackling the problem and the intended outcomes.

The Trust Manager provides regular monitoring and evaluation updates on current and recent grants to Trustees; Strategic Partners report in writing at least once a year. In 2018-19 we introduced a 'pairing' programme, whereby each Strategic Partner is paired with an individual Trustee who meets with them two to three times a year, together with the Trust Manager, and reports back to the full Board. This new programme of engagement was reviewed in 2020-21 and it was agreed to continue this approach. Grant conditions include the stipulation that multi-year grant payments are conditional on receipt of a satisfactory annual review which enables Trustees to satisfy themselves that the grant has been used for the purpose for which it was approved and that the objectives intended for the previous year have been met.

A brief description of each grant paid and committed during the year ended 5th April 2021 is given in Note 17 to these Financial Statements. Further detail on grants can be found on the Foundation's website.

Key performance indicators

The total return for the portfolio over the year to 5th April 2021 (after Rathbone's fees) was 29.88% which compares with 26.12% from the MSCI PIMFA Balanced Total Return benchmark. The benchmark's asset allocation is 17.5% fixed interest, 30% UK Equities, 32.5% overseas equities, 15% alternatives and 5% cash.

Investment policy and performance

The Trustees have met more regularly with their investment manager Nicola Day from Rathbone Greenbank during 2020-21 to stay abreast of pandemic-related events as they impact on the endowment. The Trustees' investment policy is to maximise the growth of capital and income, subject to ethical constraints on the selection of stocks. The overall investment objectives required of Rathbone Greenbank are to create sufficient income and capital growth to enable the Foundation to carry out its purposes consistently year by year with due and proper consideration for future needs and the maintenance and, if possible, enhancement of the value of the invested funds. The portfolio is measured against a bespoke benchmark.

The Foundation's ethical policy has been agreed with the fund managers. When reviewing the ethical policy, to enable the investment managers to work to clear criteria, the Trustees established a distinction between major and minor ethical concerns.

Despite a turbulent year, the value of the investment portfolio at 5th April 2021 has risen significantly to £7,666,219 from £6,097,362 at 5th April 2020. The impact of the pandemic on the payment of dividends, however, resulted in a fall in income from investments - see figures below.

FINANCIAL REVIEW
Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Trustees have considered going concern in the context of the coronavirus pandemic. The operational aspects of the Charity do not change. The continuing pandemic will have little or no impact on the Charity's current financial position other than its investments which are not required for operational purposes in the next twelve months following the approval of these Financial Statements.

FINANCIAL REVIEW

Reserves policy

The Foundation received income from investments during the year of £108,726 (2020: £158,989). Grant and related support and governance costs were £193,940 (2020: £126,654) and investment managers' costs were £44,165 (2020: £40,895), leaving an excess of expenditure over incoming resources of £129,379 (2020: £3,560) before investment gains of £1,735,688 (2020: losses of £657,998). This has resulted in a net surplus for the year of £1,606,309 (2020: net deficit of £661,558).

The Trustees believe they should spend capital if there is a case to support new activities that cannot be funded out of current income; they have powers to spend capital as well as income. In 2006 the Trustees resolved to make an annual transfer from expendable endowment to unrestricted funds each year to cover any shortfall of incoming resources.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

Charity constitution

The Foundation's governing document is a trust deed signed on 18th May 2002; the original dated 26th March 1976 having been revised. There have been no changes in the objectives since the last annual report.

Methods of appointment or election of Trustees

New Trustees are appointed by existing Trustees; all vacancies are widely advertised through sector networks. Three trustees (Lyn Cole, Mike Hill and Toby Lowe) retired at the meeting on 12th May 2020, all for different reasons. Following a rigorous recruitment process, including written applications and interviews, three new trustees (Allan Brownrigg, John McCabe and Jonathan Walker) were appointed, joining at the October 2020 and February 2021 meetings.

Policies adopted for the induction and training of Trustees

New Trustees receive extensive briefing and are provided with comprehensive documentation about the Foundation. Before their appointment, prospective Trustees meet the Trustees and the Trust Manager informally and attend at least one Trustees' meeting in the capacity of observers.

MHF is a member of the Association of Charitable Foundations and all Trustees receive information from ACF. Trustees are encouraged to attend relevant meetings and conferences and the Foundation funds such training as may be appropriate. Trustees regularly attend local and national events held by grant holders or on matters related to their grant making policy and to stay informed of current local and national issues.

Organisational structure and decision making

The Trustees are responsible for the management of the Foundation. The Chair is appointed from among the Trustees, usually for a three-year term. Rhiannon Bearne was the Chair from May 2018 to May 2021, Laura Seebohm took on the role from May 2021.

The Trustees meet three times a year. These meetings usually take place in central Newcastle but have taken place via video conference in 2020-21 due to pandemic restrictions. One meeting is primarily dedicated to internal business, for example, approval of accounts, review of the risk policy and similar concerns. At the other two meetings Trustees may consider applications from invited applicants, meet grant holders and discuss any other initiatives they may wish to take. They also regularly receive and consider financial reports and reports on the Foundation's investments.

The Investment sub-committee meets at least twice a year and is chaired by Yvonne Gale. The sub-committee is responsible for scrutinising investment management reports, reporting to the Board on investment management issues and undertaking a regular review of investment management performance. The day-to-day administration of the Foundation, including administration of grants and processing of applications prior to consideration by Trustees, is delegated to a Trust Manager. Cullagh Warnock has occupied this position since 1st May 2018. All contracts with external agencies are reviewed on a regular basis. As a result of such a review in spring 2021, Trustees invited new firms to tender to provide MHF with accountancy services and entered into a new agreement with Robson Laidler Accountants Limited.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Relationships with other agencies

The Foundation is a member of the North East Trust Secretaries Group and the NE Funders Network. It is also a member of the Association of Charitable Foundations, the Community Foundation serving Tyne & Wear and Northumberland, Voluntary Organisations' Network North East and Newcastle Council for Voluntary Service.

The Foundation recently joined an initiative to champion open and trusting grant-making. Co-ordinated by IVAR, this partnership of funders and small charities from across the UK has developed eight commitments to open and trusting grant-making, asking funders to:

- make grants in a way that reflects the realities facing VCSE organisations now and for the foreseeable future
- manage grants and relationships in a way that reflects our confidence in and respect for the organisations we fund

The aspirations of this initiative very much reflect MHF's relational approach which is described in more detail here.

Millfield House Foundation works closely with statutory and voluntary bodies whose interests overlap with its own but retains its complete independence in respect of grant decisions. In May 2017 the Foundation registered as a Living Wage Funder.

Risk management

The Trustees regularly review their roles and responsibilities in the light of the Charity Commission's guidance and consider the major risks to which the charity is exposed. They have adopted a strategy and procedures for management of risk, including potential conflicts of interest. Trustees review and update the Foundation's risk register and associated policy annually.

The Trustees maintain a Register of Interests and have adopted procedures for the declaration of interests at Trustees' meetings. If a Trustee or the Trust Manager has an interest in an organisation being considered for a grant, s/he withdraws from the meeting while the application is discussed and a decision is made.

Future developments

The guiding principle for all MHF's funding is that it should contribute to tackling poverty and/or inequality. The Trustees hope that, by investing for a continuous period and with substantial unrestricted grants in carefully selected strategic partners, they will over time make an impact on the policy decisions that can address poverty and inequality. They recognise that discerning the impact their grants make in such a broad context may be impossible but they look to grant holders to keep them informed of developments and to give indications of progress towards ultimate goals.

Trustees have been heartened to see both the impact of individual Strategic Partners, but also of the increasing amount of work Partners are undertaking together, toward common objectives. For example, all Partners have contributed to an IPPR North report about digital exclusion in the North East (to be published in September 2021). This report is funded and commissioned through the MHF Policy Learning Partnership.

The Foundation will continue to reach out to other funders to highlight the importance of funding local policy work to address the causes of poverty and inequality, as outlined in a recent article for Trust and Foundation News about the work of one of our Strategic Partners.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees 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).

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 10/11/2021 and signed on its behalf by:

.....
Ms L Seebohm - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE MILLFIELD HOUSE FOUNDATION

Opinion

We have audited the financial statements of The Millfield House Foundation (the 'charity') for the year ended 5 April 2021 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 Auditors' 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 charity'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 Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE MILLFIELD HOUSE FOUNDATION

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements
We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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:

The risk of material misstatement due to error or fraud is deemed to be low within the entity as the charity operates internal controls to mitigate any such risk. These controls are reviewed as part of the audit by performing systems walkthroughs to ensure they are operating effectively. Other substantive testing is also performed on all material balances and therefore any instances of non-compliance should be identified or considered as insignificant.

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 Report of the Independent Auditors.

Use of our report
This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Robson Laidler Accountants Ltd

Robson Laidler Accountants Limited
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
NE2 1TJ

Date: 11 November 2021

THE MILLFIELD HOUSE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2021

	Notes	Unrestricted fund £	Endowment fund £	**2021 Total funds £**	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	-	-	-	5,000
Investment income	4	**108,726**	-	**108,726**	158,989
Total		**108,726**	-	**108,726**	163,989
EXPENDITURE ON					
Raising funds	5	**44,165**	-	**44,165**	40,895
Charitable activities					
Charitable activities		**193,940**	-	**193,940**	126,654
Total		**238,105**	-	**238,105**	167,549
Net gains/(losses) on investments		-	**1,735,688**	**1,735,688**	(657,998)
NET INCOME/(EXPENDITURE)		**(129,379)**	**1,735,688**	**1,606,309**	(661,558)
Transfers between funds	15	**129,379**	**(129,379)**	-	-
Net movement in funds		-	**1,606,309**	**1,606,309**	(661,558)
RECONCILIATION OF FUNDS					
Total funds brought forward		-	**5,802,903**	**5,802,903**	6,464,461
TOTAL FUNDS CARRIED FORWARD		-	**7,409,212**	**7,409,212**	5,802,903

The notes form part of these financial statements

THE MILLFIELD HOUSE FOUNDATION

BALANCE SHEET
5 APRIL 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Investments	10	**7,666,219**	6,097,362
CURRENT ASSETS			
Debtors	11	**3,899**	19,248
Cash at bank and in hand		**464**	5,702
		4,363	24,950
CREDITORS			
Amounts falling due within one year	12	**(177,370)**	(235,409)
NET CURRENT ASSETS		**(173,007)**	(210,459)
TOTAL ASSETS LESS CURRENT LIABILITIES		**7,493,212**	5,886,903
CREDITORS			
Amounts falling due after more than one year	13	**(84,000)**	(84,000)
NET ASSETS		**7,409,212**	5,802,903
FUNDS	15		
Endowment funds		**7,409,212**	5,802,903
TOTAL FUNDS		**7,409,212**	5,802,903

The financial statements were approved by the Board of Trustees and authorised for issue on ..... and were signed on its behalf by:

.....
L Seebohm - Trustee

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2021

1. GENERAL INFORMATION

The Millfield House Foundation is a grant making charity, registration number 1158914. The principal operating address is 7 Lesbury Road, Heaton, Newcastle upon Tyne, NE6 5LB.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Statement of compliance
The financial statements have been prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the charity's needs. The Trustees have considered a period of 12 months from the balance sheet date and consider no further disclosures relating to the charity's ability to continue as a going concern need to be made.

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

The financial statements are prepared in Sterling (£) and rounded to the nearest £1.

Financial reporting standard 102 - reduced disclosure exemptions
The charity has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants
Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Interest
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 institution with whom the funds are deposited.

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

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2. ACCOUNTING POLICIES - continued

Expenditure
Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

Taxation
The charity is exempt from tax on its charitable activities.

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

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

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Investments
Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains / losses on investments' in the Statement of Financial Activities.

3. DONATIONS AND LEGACIES

	2021	2020
	£	£
Grants	**-**	5,000

Grants received, included in the above, are as follows:

	2021	2020
	£	£
Newcastle University	**-**	5,000

4. INVESTMENT INCOME

	2021	2020
	£	£
Dividends and distributions	**108,726**	158,029
Deposit account interest	**-**	960
	108,726	158,989

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5. RAISING FUNDS

Investment management costs

	2021	2020
	£	£
Portfolio management	**44,165**	40,895

6. GRANTS PAYABLE

	2021	2020
	£	£
Charitable activities	**166,000**	92,200

The total grants paid to institutions during the year was as follows:

	2021	2020
	£	£
Newcastle University (for NECPC)	**-**	126,000
P Edwards - Induction support at NECPC	**-**	1,200
Durham University (for NECPC)	**-**	(40,000)
IPPR North	**-**	5,000
Regional Refugee Forum North East	**126,000**	-
Citizen's Advice Newcastle	**40,000**	-
	166,000	92,200

The above amounts represent the new grants awarded to institutions during the year. Note 17 details the amount paid during the year in relation to current and previous year commitments.

7. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Charitable activities	**24,940**	**3,000**	**27,940**

Support costs, included in the above, are as follows:

	2021 Charitable activities	2020 Total activities
	£	£
Administration costs	**23,124**	**23,124**
Subscriptions	**802**	**797**
Trustees meetings & expenses	**75**	**931**
Website maintenance & sundries	**883**	**2,784**
Photocopying & postage	**56**	**113**
Consultancy & governance	**-**	**1,425**
Auditors' remuneration	**3,000**	**5,280**
	27,940	**34,454**

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8. AUDITORS' REMUNERATION

	2021	2020
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	**3,000**	5,280

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 5 April 2021 nor for the year ended 5 April 2020.

Trustees' expenses

During the year ended 5 April 2021, expenses totalling £75 were reimbursed or paid directly to trustees (2020: £505 paid to two trustees in respect of travel expenses).

10. FIXED ASSET INVESTMENTS

	2021	2020
	£	£
Shares	**7,481,538**	5,658,915
Other	**184,681**	438,447
	7,666,219	6,097,362

Additional information as follows:

	Listed investments
	£
MARKET VALUE	
At 6 April 2020	**5,658,915**
Additions	**1,661,126**
Disposals	**(1,574,191)**
Revaluations	**1,735,688**
At 5 April 2021	**7,481,538**
NET BOOK VALUE	
At 5 April 2021	**7,481,538**
At 5 April 2020	5,658,915

There were no investment assets outside the UK.

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets. The basis of fair valuation for quoted investments is equivalent to the market value.

The main risk to the Foundation from these financial instruments lies in the combination of uncertain investment markets and volatility of yield. The Foundation manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Foundation does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for the longer term.

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10. FIXED ASSET INVESTMENTS - continued

Material investments
There were no investments that represent more than 5% of the investment holdings.

Investments (neither listed nor unlisted) were as follows:

	2021	2020
	£	£
Cash held with investments	**438,447**	315,232
Movement in cash held by investment managers	**(253,766)**	123,215
	184,681	438,447

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Other debtors	**-**	11,329
Prepayments and accrued income	**3,899**	7,919
	3,899	19,248

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	**1,962**	1,980
Other creditors	**175,408**	233,429
	177,370	235,409

Included in other creditors are the following grant commitments:

	2021	2020
	£	£
Newcastle University	**42,000**	42,000
Regional Refugee Forum North East	**42,000**	42,000
VONNE	**42,000**	42,000
IPPR North	**35,000**	93,000
Total	**161,000**	219,000

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13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Other creditors	**84,000**	84,000

Other creditors due in more than one year consists of the following grant commitments:

	2021	2020
	£	£
Regional Refugee Forum North East	**84,000**	-
Newcastle University	**-**	42,000
VONNE	**-**	42,000
Total	**84,000**	84,000

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Endowment fund	2021 Total funds	2020 Total funds
	£	£	£	£
Investments	**-**	**7,666,219**	**7,666,219**	6,097,362
Current assets	**-**	**4,363**	**4,363**	24,950
Current liabilities	**-**	**(177,370)**	**(177,370)**	(235,409)
Long term liabilities	**-**	**(84,000)**	**(84,000)**	(84,000)
	-	**7,409,212**	**7,409,212**	5,802,903

15. MOVEMENT IN FUNDS

	At 6.4.20	Net movement in funds	Transfers between funds	At 5.4.21
	£	£	£	£
Unrestricted funds				
General fund	**-**	**(129,379)**	**129,379**	**-**
Endowment funds				
Endowment funds	**5,802,903**	**1,735,688**	**(129,379)**	**7,409,212**
TOTAL FUNDS	**5,802,903**	**1,606,309**	**-**	**7,409,212**

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	**108,726**	**(238,105)**	**-**	**(129,379)**
Endowment funds				
Endowment funds	**-**	**-**	**1,735,688**	**1,735,688**
TOTAL FUNDS	**108,726**	**(238,105)**	**1,735,688**	**1,606,309**

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15. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 6.4.19 £	Net movement in funds £	Transfers between funds £	At 5.4.20 £
Unrestricted funds				
General fund	-	(3,560)	3,560	-
Endowment funds				
Endowment funds	6,464,461	(657,998)	(3,560)	5,802,903
TOTAL FUNDS	6,464,461	(661,558)	-	5,802,903

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	163,989	(167,549)	-	(3,560)
Endowment funds				
Endowment funds	-	-	(657,998)	(657,998)
TOTAL FUNDS	163,989	(167,549)	(657,998)	(661,558)

16. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 5 April 2021.

17. GRANT COMMITMENTS PAID

The following grant commitment has been agreed and paid during the year.

Citizens Advice Newcastle 40,000

Payments have also been made to the following organisations in respect of grant commitments agreed in previous periods:

Newcastle University (for North East Child Poverty Commission) 42,000
The second instalment of a grant commitment made in the previous year of £126,000.

Regional Refugee Forum North East 42,000
The final instalment of a grant commitment made in 2017-18 of £126,000.

Voluntary Organisations Network North East (VONNE) 42,000
The second instalment of a grant commitment made in 2018 - 2019 of £126,000

IPPR North 42,000
The final instalment of a grant commitment made in 2017-2018 of £126,000

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17. GRANT COMMITMENTS PAID - continued

IPPR North A further instalment of the grant for the Policy Learning Partnership	16,000