

**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

CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2021

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 7
Report of the Independent Auditors	8 to 9
Statement of Financial Activities	10
Balance Sheet	11
Notes to the Financial Statements	12 to 19

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

THE MILLFIELD HOUSE FOUNDATION

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 it 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.

THE MILLFIELD HOUSE FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 5 APRIL 2021

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.

THE MILLFIELD HOUSE FOUNDATION

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.

THE MILLFIELD HOUSE FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 5 APRIL 2021

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 Bearn was the Chair from May 2018 to May 2021, Laura Seeborn 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.

THE MILLFIELD HOUSE FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 5 APRIL 2021

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).

THE MILLFIELD HOUSE FOUNDATION

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 5 APRIL 2021**

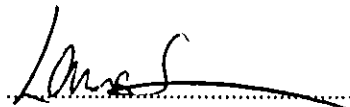
STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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 on10/11/2021..... 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

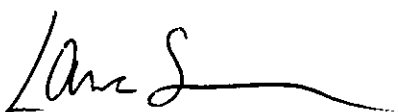
The notes form part of these financial statements

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
		<u>4,363</u>	<u>24,950</u>
CREDITORS			
Amounts falling due within one year	12	(177,370)	(235,409)
		<u>(173,007)</u>	<u>(210,459)</u>
NET CURRENT ASSETS			
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)
		<u>7,409,212</u>	<u>5,802,903</u>
NET ASSETS			
FUNDS	15		
Endowment funds		7,409,212	5,802,903
TOTAL FUNDS		<u>7,409,212</u>	<u>5,802,903</u>

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 MILLFIELD HOUSE FOUNDATION

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.

THE MILLFIELD HOUSE FOUNDATION

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

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
	<u>108,726</u>	<u>158,989</u>

THE MILLFIELD HOUSE FOUNDATION

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

5. RAISING FUNDS

Investment management costs

	2021	2020
	£	£
Portfolio management	<u>44,165</u>	<u>40,895</u>

6. GRANTS PAYABLE

	2021	2020
	£	£
Charitable activities	<u>166,000</u>	<u>92,200</u>

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	<u>40,000</u>	<u>-</u>
	<u>166,000</u>	<u>92,200</u>

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	Totals
	£	costs	£
	£	£	£
Charitable activities	<u>24,940</u>	<u>3,000</u>	<u>27,940</u>

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

	2021	2020
	Charitable	Total
	activities	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
	<u>27,940</u>	<u>34,454</u>

THE MILLFIELD HOUSE FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2021**

8. AUDITORS' REMUNERATION

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

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
	<u>7,666,219</u>	<u>6,097,362</u>

Additional information as follows:

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

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.

THE MILLFIELD HOUSE FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2021**

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
	<u>184,681</u>	<u>438,447</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Other debtors	-	11,329
Prepayments and accrued income	3,899	7,919
	<u>3,899</u>	<u>19,248</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	1,962	1,980
Other creditors	175,408	233,429
	<u>177,370</u>	<u>235,409</u>

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	<u>161,000</u>	<u>219,000</u>

THE MILLFIELD HOUSE FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2021**

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

	2021 £	2020 £
Other creditors	<u>84,000</u>	<u>84,000</u>

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	<u>84,000</u>	<u>84,000</u>

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)
	<u>-</u>	<u>7,409,212</u>	<u>7,409,212</u>	<u>5,802,903</u>

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	<u>5,802,903</u>	<u>1,606,309</u>	<u>-</u>	<u>7,409,212</u>

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	<u>108,726</u>	<u>(238,105)</u>	<u>1,735,688</u>	<u>1,606,309</u>

THE MILLFIELD HOUSE FOUNDATION

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

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	<u>6,464,461</u>	<u>(661,558)</u>	<u>-</u>	<u>5,802,903</u>

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	<u>163,989</u>	<u>(167,549)</u>	<u>(657,998)</u>	<u>(661,558)</u>

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

THE MILLFIELD HOUSE FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2021**

17. GRANT COMMITMENTS PAID - continued

IPPR North

16,000

A further instalment of the grant for the Policy Learning Partnership

