

Charity registration number 1158914

**THE MILLFIELD HOUSE FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2022**

THE MILLFIELD HOUSE FOUNDATION

CONTENTS

	Page
Trustees' report	1 - 6
Independent auditor's report	7 - 9
Statement of financial activities	10 - 11
Balance sheet	12
Notes to the financial statements	13 - 19

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 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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

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.

THE MILLFIELD HOUSE FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

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.

THE MILLFIELD HOUSE FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 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 £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 Seeborn
Mr A Brownrigg
Mr J Walker
Mr J McCabe
Dr Y Gale
Mr PS Deans

THE MILLFIELD HOUSE FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

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.

THE MILLFIELD HOUSE FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

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).

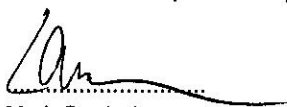
The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

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 Seeböhm

Trustee

Date: 17/10/22



Mr A Browning

Trustee

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.

THE MILLFIELD HOUSE FOUNDATION

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 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

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

		Unrestricted funds 2021 £	Endowment funds 2021 £	Total 2021 £
	Notes			
<u>Income from:</u>				
Investments	3	108,726	-	108,726
Total income		108,726	-	108,726
<u>Expenditure on:</u>				
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 £	£	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

THE MILLFIELD HOUSE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2022

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.

THE MILLFIELD HOUSE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

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 its 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	-

THE MILLFIELD HOUSE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2022

3 Investments

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

4 Raising funds

	Unrestricted funds	Unrestricted funds
	2022 £	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

THE MILLFIELD HOUSE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

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	-
	<u>426,500</u>	<u>166,000</u>

7 Support costs

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

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)

THE MILLFIELD HOUSE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

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

THE MILLFIELD HOUSE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

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
	<u>223,558</u>	<u>177,370</u>

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	-
	<u>206,000</u>	<u>161,000</u>

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
	<u>252,000</u>	<u>84,000</u>

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	-
	<u>252,000</u>	<u>84,000</u>

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

THE MILLFIELD HOUSE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

13 Analysis of net assets between funds

	Unrestricted funds	Endowment funds	Total	Unrestricted funds	Endowment funds	Total
	2022	2022	2022	2021	2021	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 42,000

First payment toward a 3 year grant of £126,000

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

Newcastle University 42,000

The final instalment of a grant commitment made in 2019-2020 for £126,000

Regional Refugee Forum North East 42,000

The first instalment of a grant commitment made in 2020-2021 for £126,000

Voluntary Organisations Network North East (VONNE) 42,000

The final instalment of a grant commitment made in 2018-2019

15 Related party transactions

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