

THE MIDDLETON FOUNDATION

England & Wales · Charity number 1168170

Details

Status Registered

Legal form Charitable company

Company number [10038349](#)

Registered 2016-07-11

Register [View on the Charity Commission register](#)

Contact

Address Haylofts
5 St. Thomas' Street
Newcastle Upon Tyne
NE1 4LE

Phone 01912603700

Activities

Objects: THE CHARITY'S OBJECTS ARE: 3.1 TO PROMOTE ANY CHARITABLE PURPOSE FOR THE BENEFIT OF THE PUBLIC GENERALLY, BOTH IN THE UNITED KINGDOM AND OVERSEAS;3.2 TO APPLY THE INCOME, AND ALL OR SUCH PART OR PARTS OF THE CAPITAL, AT SUCH TIME OR TIMES AND IN SUCH MANNER AS THE TRUSTEES MAY IN THEIR DISCRETION THINK FIT IN MAKING DONATIONS AND/OR GRANTS FOR THE PUBLIC BENEFIT WORLDWIDE FOR CHARITABLE PURPOSES AND/OR TO EXISTING CHARITIES WHOSE CHARITABLE OBJECTS ARE PRINCIPALLY:3.2.1 THE RELIEF OF THOSE IN NEED BY REASON OF YOUTH, ILL HEALTH, DISABILITY, FINANCIAL HARDSHIP OR OTHER DISADVANTAGE;3.2.2 THE PREVENTION OR RELIEF OF POVERTY;3.2.3 THE ADVANCEMENT OF EDUCATION, THE ARTS, CULTURE OR HERITAGE;AND "CHARITABLE" IN THIS ARTICLE 3 SHALL MEAN CHARITABLE ACCORDING TO THE LAW OF ENGLAND.

Activities: Selective grant making to other charitable organisations

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations
- **What:** General Charitable Purposes, Disability, The Prevention Or Relief Of Poverty
- **Who:** The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£144,794	£37,805	-	-
2024-03-31	£168,384	£179,966	-	-
2023-03-31	£2,668,394	£267,043	£2,484,731	3
2022-03-31	£154,187	£186,242	-	-
2021-03-31	£98,510	£186,784	-	-

Trustees

Name	Role	Appointed
Catherine Middleton		2021-04-07
Jeremy Middleton		2021-04-07
Lucy Elizabeth Middleton		2022-11-08
Paul Ronald Woolston		2020-11-10

Accounts

Company Number: 10038349
Charity Number: 1168170

The Middleton Foundation
(A company limited by guarantee)

Trustees' Report and Financial Statements
for the year ended 31 March 2025

The Middleton Foundation

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The Middleton Foundation

Reference and Administrative Details

Trustees P R Woolston
 C Middleton
 J P Middleton
 L E Middleton

Secretary R L Johnston

Registered Office Haylofts
 5 St Thomas' Street
 Newcastle upon Tyne
 NE1 4LE

The charity is incorporated in England and Wales.

Company Registration Number 10038349

Charity Registration Number 1168170

Independent Examiner Stephen Easton FCA
 S & W Audit
 17 Queens Lane,
 Newcastle upon Tyne,
 NE1 1RN

Bankers Handelsbanken
 Durham
 43 Old Elvet
 Durham
 DH1 3HN

The Middleton Foundation

Trustees' report

For the period ended 31 March 2025

The Trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and accountants' report of the charitable company for the year ended 31 March 2025.

Structure, governance and management

Nature of governing document

The company is constituted a charitable company limited by guarantee, registered in England and Wales (company number 10038349), governed by its Memorandum and Articles of Association dated 10 February 2016 and is a registered charity with the charity commission in England and Wales (charity number 1168170).

Recruitment and appointment of trustees

The management of the charitable company is the responsibility of the board trustees. The trustees give their time and experience freely. Trustees are elected and co-opted under the terms of the Articles of Association.

Induction and training of trustees

An induction is provided to new trustees. This allows them to understand their role in the charity, gain clarity on their legal responsibilities, and acquire knowledge on the key policies and procedures of the charity.

Relationships with related parties

The company had a wholly owned trading subsidiary, Charity Escapes Trading Company Limited (Company number 10480807) which was wound up on 10 September 2024.

Major Risks and management of those risks

The trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company and are satisfied that systems and procedures are in place to mitigate exposure to the major risks. The board of trustees reviews the risk register at least annually to ensure transparency and control of all identified risks.

Objectives and activities

Objects and aims

- To provide accommodation to vulnerable people with learning disabilities in the North East of England and Cumbria.
- To promote any charitable purpose for the benefit of the public generally, both in the UK and overseas.

The Middleton Foundation

Trustees' report (*Continued*)

For the period ended 31 March 2025

Objectives and activities (*Continued*)

Objects and aims (*Continued*)

- To apply the income or all such part or parts of the capital, at such time or times and in such manner as the trustees may in their discretion think fit in making donations and/or grants for the public benefit worldwide for charitable purposes and/or to existing charities whose charitable objects are principally:
 - The relief of those in need by reason of youth, ill health, disability, financial hardship, or other disadvantage
 - The prevention or relief of poverty
 - The advancement of education, the arts, culture or heritage

Our ambition is to provide affordable social housing to individuals with learning disabilities, in the North East of England and Cumbria. We understand that providing the right home is the foundation to empowering individuals with disabilities to live a fulfilled life with dignity, independence, and empower a sense of belonging in the local community. The Trustees have named this housing project Molly's Project.

Objectives, strategies and activities

Molly's Project has continued to make progress throughout 2025, purchasing one additional home, with more property purchases in the pipeline.

Molly's Project has focused on four key pillars to achieve progress towards its objectives;

- Finding the forever home: The Middleton Foundation recognises the challenges faced by individuals with learning disabilities and their families in finding suitable accommodation. Through Molly's Project, the Foundation aims to bridge this gap by creating housing options that prioritise accessibility, safety, and inclusivity.
- Long-Term: Molly's Project emphasises the importance of stability and continuity in the lives of individuals with learning disabilities. By providing long-term housing solutions, Molly's Project aims to create a sense of belonging, independence, and security for its residents.
- Collaboration and Partnership: The Middleton Foundation is working in partnership with registered Housing Associations who have expertise in this field.
- Communication: building relationships and continued dialogue with families, colleges, Local Authority commissioners, The Integrated Care Board in the North East and Cumbria, care providers, social workers and Housing Associations.

In September 2023 the trustees made the decision to cease supporting the operating of the trading subsidiary. An orderly windup of the company was facilitated, with operations ceasing on 31 January 2024 and the company being wound up on 10 September 2024.

Public benefit

The trustees consider that by providing affordable housing to vulnerable people with learning disabilities, enabling other charities to raise greater funds for their charitable purposes and by the provision of grants, the Middleton Foundation is delivering public benefit.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

The Middleton Foundation

Trustees' report (Continued)

For the year period 31 March 2025

Achievements and performance

The trustees continued to progress and support Molly's Project, the charities housing project for individuals with autism and/or learning disabilities in the North East of England and Cumbria in 2025.

2025 has continued to be a year of investment, building a stable foundation for Molly's Project in terms of developing relationships with strategic partners and securing additional homes for those in need.

During the year the trustees made significant progress on its four key pillars of Molly's Project;

- The charity purchased an additional forever home in the North East of England, supporting one additional person with autism and/or learning disabilities to live and thrive independently in a long term forever home. This acquisition took the total number of homes provided to four. The rental income received on all properties has been designated into Molly's Project to help more individuals with learning disabilities find their forever home.
- The trustees developed their working collaboration and partnership with two registered housing providers.
- Molly's Project has continued to invest significant resource into building and maintaining relationships with eight local authority commissioning teams in the North East and The Integrated Care Board in the North East and Cumbria.

Key non-financial performance indicators

In the year Molly's Project has provided;

- Affordable housing for one additional person with learning disabilities/autism in the North East and Cumbria., bringing the total number of people supported by Molly's Project to nine people with learning disabilities in the North East and Cumbria.
- The project purchased one additional forever home, bringing the total number of forever homes provided to four.

The trustees were pleased to be able to award donations totalling £2K (2024: £ 36K) to five charities.

Financial review

The charity received £145K in the year, all of which was earned from rent and interest. All of this income has been designated to Molly's Project to provide further affordable housing for individuals with learning disabilities/autism in the North East and Cumbria.

Policy on reserves

In line with Charity Commission guidelines the trustees monitor the level of reserves held to ensure they are being used to help the objectives of the charity. The calculation of free reserves is based on the definition included in the charity statement of recommended practice (SORP), which provides recommendations for accounting and reporting for charities. The trustees have examined the requirements of the charity to hold free reserves — those reserves not invested in tangible fixed assets, excluding intercompany loans, long term liabilities, or designated for a particular purpose. The Trustees considered it would be appropriate to hold the equivalent of 3 months expenditure. 3 months expenditure would equate to holding approximately £5K in free reserves. On this basis free reserves are £5k at the year-end (2024 : £12k negative).

Fundraising disclosures

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised direct from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors. The charity's brand awareness is facilitated through a public relation consultant, social media feeds and positive word of mouth advertising. We report on any fundraising complaints for which there were none in 2025.

The Middleton Foundation

Trustees' report (Continued)

For the year period 31 March 2025

Plans for future periods

The trustees are encouraged by the progress made on Molly's Project to date.

The trustees remain committed to providing affordable social housing to individuals with autism and/or learning disabilities in the North East and Cumbria. There is a substantial need in the local community for this provision. Over the long term the ambition is to provide a legacy of a substantial property portfolio which provides valuable forever homes, linking with colleges and schools to provide the next step in the personal development of young people with learning disabilities. Post year end the charity has purchased two additional properties housing three individuals.

Going concern

The charity's forecasts and projections for the next twelve months show that the charity should be able to continue in operational existence for that period. The charity has a significant positive cash balance and is forecasting to invest this income to generate rental income to finance operations.

Statement of Trustees' Responsibilities

The trustees (who are also the directors of The Middleton Foundation for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The annual report was approved by the trustees of the charity on 29 January 2026 and signed on its behalf by:



P R Woolston
Trustee

The Middleton Foundation

Independent examiner's report to the trustees of The Middleton Foundation For the year ended 31 March 2025

I report to the trustees on my examination of the accounts of The Middleton Foundation for the year ended 31 March 2025, which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows, and the notes to the accounts, including significant accounting policies.

Respective responsibilities of trustees and examiner and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the Companies Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the Companies Act and are eligible for the independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the Charities Act') and in carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the Charities Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Company as required by section 386 of the Companies Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the Companies Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Middleton Foundation

Independent examiner's report to the trustees of The Middleton Foundation
For the year ended 31 March 2025

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Stephen Easton FCA

The Institute of Chartered Accountants in England and Wales

S&W Audit

17 Queens Lane

Newcastle upon Tyne

NE1 1RN

Date: 30 January 2026

The Middleton Foundation

Statement of Financial Activities (Including Income and Expenditure Account)

For the year ended 31 March 2025

		Unrestricted funds £	Total 2025 £	Total 2024 £
	Notes			
Income and Endowments from:				
Donations and legacies	3	-	-	39,852
Charitable activities	4	77,172	77,172	51,305
Investment income	5	67,622	67,622	77,227
Total income		144,794	144,794	168,384
Expenditure on:				
Charitable activities	6	(37,805)	(37,805)	(179,966)
Total Expenditure		(37,805)	(37,805)	(179,966)
Net movement in funds		106,989	106,989	(11,582)
Reconciliation of funds				
Total funds brought forward		2,473,149	2,473,149	2,484,731
Total funds carried forward	17	2,580,138	2,580,138	2,473,149

All income and expenditure derive from continuing activities.

The Middleton Foundation

Comparative Statement of Financial Activities
For the year ended 31 March 2025

			Unrestricted funds £	Total 2024 £
	Notes			
Income and Endowments from:				
Donations and legacies	3		39,852	39,852
Charitable activities	4		51,305	51,305
Investment income	5		77,227	77,227
Total income			<u>168,384</u>	<u>168,384</u>
Expenditure on:				
Charitable activities	6		(179,966)	(179,966)
Total Expenditure			<u>(179,966)</u>	<u>(179,966)</u>
Net movement in funds			(11,582)	(11,582)
Reconciliation of funds				
Total funds brought forward			2,484,731	2,484,731
Total funds carried forward	17		<u>2,473,149</u>	<u>2,473,149</u>

The Middleton Foundation

Balance Sheet

As at 31 March 2025

	Notes	2025 £	2024 £
Fixed assets			
Tangible assets	11	1,172,826	1,024,747
Investments	12	-	1
		<u>1,172,826</u>	<u>1,024,748</u>
Current assets			
Debtors	13	795,363	784,135
Cash at bank and in hand	14	621,495	676,251
		<u>1,416,858</u>	<u>1,460,385</u>
Creditors:			
amounts falling due within one year	15	(9,546)	(11,985)
		<u>1,407,312</u>	<u>1,448,401</u>
Net current assets			
		<u>2,580,138</u>	<u>2,473,149</u>
Net assets			
		<u>2,580,138</u>	<u>2,473,149</u>
Funds of the charity:			
Unrestricted funds	17	2,580,138	2,473,149
		<u>2,580,138</u>	<u>2,473,149</u>

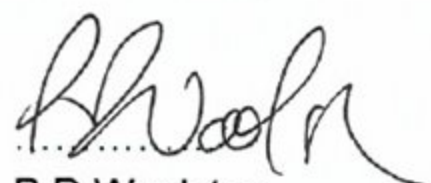
For the financial year ended 31 March 2025 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the trustees on 29 January 2026 and signed on their behalf by:



P R Woolston
Trustee

The notes on pages 11 to 22 form part of these financial statements.

Company registration number 10038349

The Middleton Foundation

Statement of Cash Flows

As at 31 March 2025

	Note	2025 £	2024 £
Cash flows from operating activities:			
Net cash (expenditure)/income		106,989	(11,582)
Adjustments to cash flows from non-cash items			
Depreciation of tangible fixed assets		343	435
Profit on disposal of tangible fixed assets		-	(54)
Investment income		<u>(67,622)</u>	<u>(77,227)</u>
		39,710	(88,428)
Working capital adjustments			
Increase in debtors		(11,228)	(11,185)
Increase/(Decrease) in creditors		<u>(2,439)</u>	<u>(8,482)</u>
Net cash flows from operating activities		<u>26,043</u>	<u>108,095</u>
Cash flows from investing activities			
Interest receivable and similar income		67,622	77,227
Donation of tangible fixed assets		-	-
Purchase of tangible fixed assets		(148,421)	(630,004)
Proceeds from disposal of tangible fixed assets		<u>-</u>	<u>900</u>
Net cash flows from investing activities		<u>(80,799)</u>	<u>(551,877)</u>
Net increase in cash and cash equivalents		(54,756)	(659,972)
Cash and cash equivalents at the beginning of the year		<u>676,251</u>	<u>1,336,223</u>
Cash and cash equivalents at the end of the year		<u>621,495</u>	<u>676,251</u>

1 Charity status

The Middleton Foundation is a Company Limited by Guarantee in the United Kingdom, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The address of its registered office is: Haylofts, 5 St Thomas' Street, Newcastle upon Tyne, NE1 4LE

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

The Middleton 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 notes. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

Going concern

The charity's forecasts and projections for the next twelve months show that the charity should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance. This also considers the effectiveness of available measures to assist in mitigating the impact. The charity has strong positive cash balances and is forecasting to invest the cash in property to generate rental income. The trustees have stress tested their forecasts, taking into account various scenarios, and remain confident that the uncertainties do not cast significant doubt on the company's ability to continue as a going concern.

Exemption from preparing group accounts

The charity has taken advantage of the exemption in section 398 of the Companies Act 2006 from the requirement to prepare consolidated financial statements, on the grounds that it is a small sized group and has taken advantage of section 24.13A of the Charities SORP on the basis that the financial results of its only subsidiary are immaterial to the financial statements of the group.

Estimation uncertainty and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these financial statements the directors do not consider there were any significant areas of judgement that were required in applying the company's accounting policies as set out above.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Investment income

Interest is recognised on the earlier of being notified of the amount or it being receipted into the bank.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

The Middleton Foundation

Notes to the financial statements

For the period ended 31 March 2025

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £1,000 or more are initially recorded at cost.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Computer Equipment	25% straight line
Land and Buildings	Over 50 years

The depreciation policy for land and buildings has been calculated on the cost of the buildings at a rate of 2% per annum. However, the board will not depreciate the buildings further below recoverable amount.

The value of the buildings was determined by an external valuation, performed prior to the building being donated or purchased. The value of the donations has been taken as deemed cost.

The properties are held as fixed assets on the basis that it aligns with the charitable objectives to provide accommodation and forever homes to its beneficiaries. As a result, all rental income received is recorded as charitable activities income.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

The Middleton Foundation

Notes to the financial statements

For the period ended 31 March 2025

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds and designated funds that are available for use at the trustee's discretion in furtherance of the objectives of the charity.

3 Income from donations and legacies

	Unrestricted Funds General	Total 2025	Total 2024
	£	£	£
Charitable activities			
Donations and legacies:			
Donations	-	-	39,852
	<u>-</u>	<u>-</u>	<u>39,852</u>

All prior year income was unrestricted.

4 Income from charitable activities

	Unrestricted Funds General	Total 2025	Total 2024
	£	£	£
Provision of Housing	77,172	77,172	51,305
	<u>77,172</u>	<u>77,172</u>	<u>51,305</u>

5 Investment income

	Unrestricted Funds General	Total 2025	Total 2024
	£	£	£
Interest receivable and similar income:			
Interest receivable on bank deposits	67,622	67,622	77,227
	<u>67,622</u>	<u>67,622</u>	<u>77,227</u>

6 Expenditure on charitable activities

	Unrestricted General	Total 2025	Total 2024
	£	£	£
Grant funding of activities	-	-	36,011
Housing activities	13,399	13,399	3,663
Provision of support to other charities	18,845	18,845	131,445
Governance costs	5,561	5,561	8,847
	<u>37,805</u>	<u>37,805</u>	<u>179,966</u>

An analysis of grants made to organisations is provided below.

	Unrestricted General	Total 2025	Total 2024
	£	£	£
Dragonfly Cancer Trust	-	-	4,566
Action for A-T	-	-	1,900
Yorkshire Cat Rescue	-	-	4,248
The Childrens Adventure Farm Trust	-	-	2,121
Myaware	-	-	2,316
Remembering Rebecca	-	-	2,170
Scottish SPCA	-	-	2,009
North East Air Ambulance	-	-	1,848
Sports Newcastle	-	-	1,968
Other donations (less than £1,000)	2,291	2,291	12,866
	<u>2,291</u>	<u>2,291</u>	<u>36,011</u>

The Middleton Foundation

Notes to the financial statements (Continued)

For the period ended 31 March 2025

Provision of support to other charities

	Support costs £	Total 2025 £	Total 2024 £
Wages and salaries	384	384	86,672
Insurance	-	-	1,767
Telephone	-	-	292
Computer software and maintenance	-	-	18,366
Printing, postage and stationery	-	-	66
Bad Debt	18,461	18,461	-
Travel and subsistence	-	-	1,217
Marketing and PR	-	-	5,686
Accountancy fees	-	-	9,190
Depreciation	-	-	435
Bank charges	-	-	211
Professional Fees	-	-	576
Fund raising Fees	-	-	5,479
Staff training	-	-	1,488
Foreign exchange loss	-	-	-
	<u>18,845</u>	<u>18,845</u>	<u>131,455</u>

Governance costs

	Unrestricted General £	Total 2025 £	Total 2024 £
Independent examiners fees			
Examination of the financial statements	4,500	4,500	4,500
Other fees to Independent examiners	1,006	1,006	960
Legal fees	55	55	3,387
	<u>5,561</u>	<u>5,561</u>	<u>8,847</u>

7. Trustees' remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

£419 (2024 : £483) of expenses were reimbursed to P R Woolston during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

The Middleton Foundation

Notes to the financial statements (Continued)

For the period ended 31 March 2025

8. Staff costs

The average number of employees during the period was as follows:

	2025	2024
Management	-	1
Support	-	2
	<u>-</u>	<u>3</u>

The total staff costs and employee benefits was as follows:

	2025	2024
	£	£
Wages and salaries	4,950	82,531
Social security costs and SMP recovery	(4,872)	2,304
Pension costs	482	1,836
	<u>560</u>	<u>86,672</u>

No employee had employee benefits in excess of £60,000 (2023 - £60,000).

9. Independent examiner's remuneration

	2025	2024
	£	£
Examination of the financial statements	<u>4,500</u>	<u>4,500</u>

10. Taxation

The charity is exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The Middleton Foundation

Notes to the financial statements (Continued)

For the period ended 31 March 2025

11 Tangible fixed assets

	Land and buildings	Computer equipment	Total
	£	£	£
Cost			
At 1 April 2024	1,023,632	1,372	1,025,004
Additions	148,421	-	148,421
Disposals	-	-	-
At 31 March 2025	1,172,053	1,372	1,173,426
Depreciation			
At 1 April 2024	-	257	257
Charge for the year	-	343	343
Depreciation on disposals	-	-	-
At 31 March 2025	-	600	600
Carrying amount			
At 31 March 2024	1,023,632	1,115	1,024,747
At 31 March 2025	1,172,053	772	1,172,826

Included within the net book value of land and buildings above is £1,172,053 (2024 - £1,023,632) in respect of freehold land and buildings and £ Nil (2024 - £ Nil) in respect of leaseholds.

During the year ended 31 March 2023, the Charity was donated a property, 116 Wigton Road, Carlisle which will be used as a rental property as part of Molly's Project. The property was valued on 22 July 2022 at a value of £395,000 for the purpose of being donated to the charity by Vickers and Barrass Chartered Surveyors. The value of the donation has been taken as deemed cost.

The property is held as a fixed asset on the basis that it aligns with the charitable objectives to provide accommodation and Forever Homes to its beneficiaries. As a result, all rental income received is recorded as charitable activities income.

The Middleton Foundation

Notes to the financial statements (Continued)

For the period ended 31 March 2025

12 Fixed asset investments

	2025 £	2024 £
Shares in group undertakings and participating interests	-	1
	<u> </u>	<u> </u>
	Subsidiary undertakings	Total
	£	£
Shares in group undertakings and participating interests	1	1
	<u> </u>	<u> </u>
Cost		
At 1 April 2024	1	1
Disposals	(1)	
	<u> </u>	<u> </u>
At 31 March 2025	-	1
	<u> </u>	<u> </u>
Net book value		
At 31 March 2024	1	1
	<u> </u>	<u> </u>
At 31 March 2025	-	1
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
Details of undertakings		

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2025	2024
Subsidiary undertakings				
Charity Escapes Trading Company Limited	England and Wales	100%	-	100%

The Middleton Foundation

Notes to the financial statements (Continued)

For the period ended 31 March 2025

Subsidiaries undertakings

The profit for the financial period of Charity Escapes Trading Company Limited was £nil (2024 - £25,740) and the aggregate amount of capital and reserves at the end of the period was £nil (2024- £24,308).

13 Debtors

	2025	2024
	£	£
Trade debtors	6,434	7,032
Due from group undertakings	-	18,793
Prepayments	1,999	2,305
Accrued income	65,486	34,560
Other debtors	721,444	721,444
	<u>795,363</u>	<u>784,135</u>

14 Cash and cash equivalents

	2025	2024
	£	£
Cash at bank	34,743	376,251
Short-term deposits and liquid investments	586,753	300,000
	<u>621,495</u>	<u>676,251</u>

15 Creditors: amounts falling due within one year

	2025	2024
	£	£
Trade creditors	1,049	3,338
Other creditors	-	189
Accruals and deferred income	8,497	8,457
	<u>9,546</u>	<u>11,985</u>

The Middleton Foundation

Notes to the financial statements (Continued) For the period ended 31 March 2025

16 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £482 (2024 £ 1,836). Contributions totalling £nil (2024: £ 189) were payable to the scheme at the end of the year.

17 Funds

	Balance at 1 April 2024 £	Incoming resources £	Resources expended £	Transferred £	Balance at 31 March 2025 £
Unrestricted funds					
<i>General</i>					
Unrestricted funds	(67,841)	-	(18,845)	91,686	5,000
<i>Designated</i>					
Molly's Project	2,540,989	144,794	(18,960)	(91,686)	2,575,137
Total fund	2,473,148	144,794	(37,805)	-	2,580,137

18 Analysis of net assets between funds

	Unrestricted General £	Designated £	Total Funds at 31 March 2025 £
Tangible fixed assets	-	1,172,825	1,172,825
Fixed asset investments	-	-	-
Net current assets/(liabilities)	5,000	1,402,312	1,407,312
Total net assets	5,000	2,575,137	2,580,137

	Unrestricted General £	Designated £	Total Funds at 31 March 2024 £
Tangible fixed assets	1,115	1,023,632	1,024,747
Fixed asset investments	1	-	1
Net current assets/(liabilities)	(68,957)	1,517,357	1,448,400
Total net assets	(67,841)	2,540,989	2,473,148

The Middleton Foundation

Notes to the financial statements (Continued) For the period ended 31 March 2025

19 Analysis of net funds

	At 1 April 2024 £	Financing Cash flows £	At 31 March 2025 £
Cash at bank and in hand	676,251	(54,755)	621,496
Net cash	<u>676,251</u>	<u>(54,755)</u>	<u>621,496</u>
	At 1 April 2023 £	Financing Cash flows £	At 31 March 2024 £
Cash at bank and in hand	1,336,223	(659,972)	676,251
Net cash	<u>1,336,223</u>	<u>(659,972)</u>	<u>676,251</u>

20 Related party transactions

A balance of £nil (2024: £18,793) was owed by the charity's subsidiary Charity Escapes Trading Company Limited at the year end. Advances were made to the charity's subsidiary totalling £nil. Repayments were received from the charity's subsidiary totalling £332 and the balance of £18,461 was formally written-off on 4 June 2024.

A balance of £721,444 (2024: £721,444) was owed by Middleton Enterprises Limited, an entity in which there is common control in which trustees of the charity are also directors of the company.

THE MIDDLETON FOUNDATION

England & Wales - Charity number 1168170

Accounts

Company Number: 10038349
Charity Number: 1168170

The Middleton Foundation
(A company limited by guarantee)

Trustees' Report and Financial Statements
for the year ended 31 March 2024

The Middleton Foundation

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The Middleton Foundation

Reference and Administrative Details

Trustees
P R Woolston
C Middleton
J P Middleton
L E Middleton

Secretary
R L Johnston

Key Management Personnel
C Sells

Registered Office
Haylofts
5 St Thomas' Street
Newcastle upon Tyne
NE1 4LE

The charity is incorporated in England and Wales.

Company Registration Number 10038349

Charity Registration Number 1168170

Independent Examiner
CLA Evelyn Partners
17 Queens Lane,
Newcastle upon Tyne,
NE1 1RN

Bankers
Handelsbanken
Durham
43 Old Elvet
Durham
DH1 3HN

The Middleton Foundation

Trustees' report

For the period ended 31 March 2024

The Trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and accountants' report of the charitable company for the year ended 31 March 2024.

Structure, governance and management

Nature of governing document

The company is constituted a charitable company limited by guarantee, registered in England and Wales (company number 10038349), governed by its Memorandum and Articles of Association dated 10 February 2016 and is a registered charity with the charity commission in England and Wales (charity number 1168170).

Recruitment and appointment of trustees

The management of the charitable company is the responsibility of the Board of Trustees. The trustees give their time and experience freely. Trustees are elected and co-opted under the terms of the Articles of Association.

Induction and training of trustees

An induction is provided to new trustees. This allows them to understand their role in the charity, gain clarity on their legal responsibilities, and acquire knowledge on the key policies and procedures of the charity.

Relationships with related parties

The company had a wholly owned trading subsidiary, Charity Escapes Trading Company Limited (Company number 10480807) during 2024.

Major Risks and management of those risks

The trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. The Board of Trustees reviews the risk register at least annually to ensure transparency and control of all identified risks.

Objectives and activities

Objects and aims

- To provide accommodation to vulnerable people with learning disabilities in the North East England and Cumbria.
- To promote any charitable purpose for the benefit of the public generally, both in the UK and overseas.

The Middleton Foundation

Trustees' report (Continued)

For the period ended 31 March 2024

Objectives and activities (Continued)

Objects and aims (Continued)

- To apply the income or all such part or parts of the capital, at such time or times and in such manner as the trustees may in their discretion think fit in making donations and/or grants for the public benefit worldwide for charitable purposes and/or to existing charities whose charitable objects are principally:
 - The relief of those in need by reason of youth, ill health, disability, financial hardship, or other disadvantage
 - The prevention or relief of poverty
 - The advancement of education, the arts, culture or heritage

Our ambition is to provide a long term forever home to individuals with learning disabilities, in the North East of England and Cumbria. We understand that providing the right home is the foundation to empowering individuals with disabilities to live a fulfilled life with dignity, independence, and empower a sense of belonging in the local community. The Trustees have named this housing project Molly's Project.

Objectives, strategies and activities

Molly's Project has continued to make progress throughout 2024, purchasing an additional two homes.

The project has focused on four key pillars to achieve progress towards its objectives;

- Finding the forever home: The Middleton Foundation recognises the challenges faced by individuals with learning disabilities and their families in finding suitable accommodation. Through Molly's Project, the Foundation aims to bridge this gap by creating housing options that prioritise accessibility, safety, and inclusivity.
- Long-Term: The project emphasises the importance of stability and continuity in the lives of individuals with learning disabilities. By providing long-term housing solutions, Molly's Project aims to create a sense of belonging, independence, and security for its residents.
- Collaboration and Partnership: The Middleton Foundation is working in partnership with registered Housing Associations who have expertise in this field.
- Communication: building relationships and continued dialogue with families, Local Authority commissioners, The Integrated Care Board in the North East and Cumbria, care providers, social workers and Housing Associations.

The Foundation has continued to make donations during the year to other charities. Through the Foundation's investment in its trading subsidiary, Charities Escapes Trading Company Limited, the Foundation has been able to further support charities to raise much needed funding. In September 2023 the trustees made the decision to cease supporting the operating of the trading subsidiary. An orderly windup of the company was facilitated, with operations ceasing on 31 January 2024 and the company being wound up on 10 September 2024.

Public benefit

The trustees consider that through providing housing to vulnerable people with learning disabilities, the enabling other charities to raise greater funds for their charitable purposes and by the provision of grants, the Middleton Foundation is delivering public benefit.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

The Middleton Foundation

Trustees' report (*Continued*)

For the year period 31 March 2024

Achievements and performance

The trustees continued to progress and support the Molly project, the charities housing project for individuals with learning disabilities in the North East of England and Cumbria in 2024.

2024 has continued to be a year of investment, building a stable foundation for Molly's Project in terms of developing relationships with strategic partners and securing additional homes for those in need.

During the year the trustees made significant progress on its four key pillars of Molly's project;

- The charity purchased an additional two forever homes in the North East of England, supporting five additional people with learning disabilities to live and thrive independently in a long term forever home. These acquisitions took the total number of homes provided to three. The rental income received on all properties has been designated to Molly's project to help more individuals with learning disabilities find their forever home.
- The trustees developed their working collaboration and partnership with two registered housing providers.
- The project has continued to invest significant resource into building and maintaining relationships with seven local authority commissioning teams in the North East and the Integrated Care Board in the North East and Cumbria

Key non-financial performance indicators

In the year Molly's project has provided;

- Housing for an **additional five people** with learning disabilities/autism in the North East and Cumbria., bringing the total number of people supported by Molly Project to eight **people** with learning disabilities in the North East and Cumbria.
- The project purchased an **additional two forever homes**, bringing the total number of forever homes provided to **three**.

The trustees were pleased to be able to award grants totalling £36K (2023: £ 96K) to 80 charities.

Financial review

The charity received £168K in the year, of this £40K was from donations and £128K earned from rent and interest.

Policy on reserves

In line with Charity Commission guidelines the trustees monitor the level of reserves held to ensure they are being used to help the objectives of the charity. The calculation of free reserves is based on the definition included in the charity statement of recommended practice (SORP), which provides recommendations for accounting and reporting for charities. The trustees have examined the requirements of the charity to hold free reserves — those reserves not invested in tangible fixed assets, excluding intercompany loans, long term liabilities, or designated for a particular purpose. The Trustees considered it would be appropriate to hold the equivalent of three months expenditure. Three months expenditure would equate to holding approximately £5K in free reserves. On this basis free reserve are £88K negative at the year-end (£6K FY23).

Fundraising disclosures

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised direct from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors. The charity's brand awareness is facilitated through a public relation consultant, social media feeds and positive word of mouth advertising. We report on any fundraising complaints for which there were none in 2024.

The Middleton Foundation

Trustees' report (Continued)

For the year period 31 March 2024

Plans for future periods

The trustees are encouraged by the progress made on Molly's project to date.

The trustees remain committed to providing housing to individuals with learning disabilities in the North East and Cumbria. There is a substantial need in the local community for this provision. Over the long term the ambition is to provide a legacy of a substantial property portfolio which provides valuable forever homes, linking with colleges and schools to provide the next step in the personal development of young people with learning disabilities. Post year end the charity has purchased an additional property housing one individual.

Going concern

The charity's forecasts and projections for the next twelve months show that the charity should be able to continue in operational existence for that period. The charity has a significant positive cash balance and is forecasting for this to continue through execution of the project plan.

Statement of Trustees' Responsibilities

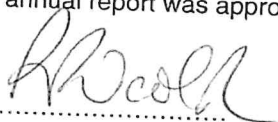
The trustees (who are also the directors of The Middleton Foundation for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The annual report was approved by the trustees of the charity on 5th November 2024 and signed on its behalf by:



P R Woolston
Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE MIDDLETON FOUNDATION
For the year ended 31 March 2024

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2024.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for the independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounts records were not kept in respect of the Company as required by section 386 of the 2006 Act: or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Stephen Easton FCA
CLA Evelyn Partners
Accountants

Date: 11/11/2024

17 Queens Lane
Newcastle upon Tyne
NE1 1RN

The Middleton Foundation

Statement of Financial Activities (Including Income and Expenditure Account)
For the year ended 31 March 2024

	Notes	Unrestricted funds £	Total 2024 £	Total 2023 £
Income and Endowments from:				
Donations and legacies	3	39,852	39,852	2,615,089
Charitable activities	4	51,305	51,305	14,676
Investment income	5	77,227	77,227	38,629
Total income		<u>168,384</u>	<u>168,384</u>	<u>2,668,394</u>
Expenditure on:				
Charitable activities	6	(179,966)	(179,966)	(267,043)
Total Expenditure		<u>(179,966)</u>	<u>(179,966)</u>	<u>(267,043)</u>
Net movement in funds		(11,582)	(11,582)	2,401,351
Reconciliation of funds				
Total funds brought forward		2,484,731	2,484,731	83,380
Total funds carried forward	17	<u>2,473,149</u>	<u>2,473,149</u>	<u>2,484,731</u>

All income and expenditure derive from continuing activities.

The Middleton Foundation

**Comparative Statement of Financial Activities
For the year ended 31 March 2024**

	Notes	Unrestricted funds £	Total 2023 £
Income and Endowments from:			
Donations and legacies	3		
Charitable activities	4	2,615,089	2,615,089
Investment income	5	14,676	14,676
		38,629	38,629
Total income		<u>2,668,394</u>	<u>2,668,394</u>
Expenditure on:			
Charitable activities	6	(267,043)	(267,043)
Total Expenditure		<u>(267,043)</u>	<u>(267,043)</u>
Net movement in funds		2,401,351	2,401,351
Reconciliation of funds			
Total funds brought forward		83,380	83,380
Total funds carried forward	17	<u>2,484,731</u>	<u>2,484,731</u>

The Middleton Foundation

Balance Sheet

As at 31 March 2024

	Notes	2024 £	2023 £
Fixed assets			
Tangible assets	11	1,024,747	396,024
Investments	12	1	1
		<u>1,024,748</u>	<u>396,025</u>
Current assets			
Debtors	13	784,135	772,950
Cash at bank and in hand	14	676,251	1,336,223
		<u>1,460,385</u>	<u>2,109,173</u>
Creditors:			
amounts falling due within one year	15	(11,985)	(20,467)
Net current assets		<u>1,448,401</u>	<u>2,088,706</u>
Net assets		<u>2,473,149</u>	<u>2,484,731</u>
Funds of the charity:			
Unrestricted funds	17	2,473,149	2,484,731
		<u>2,473,149</u>	<u>2,484,731</u>

The financial statements were approved and authorised for issue by the trustees on 5th November 2024 and signed on their behalf by:



 P R Woolston
 Trustee

The notes on pages 11 to 23 form part of these financial statements.

Company registration number 10038349

The Middleton Foundation

Statement of Cash Flows

As at 31 March 2024

	Note	2024 £	2023 £
Cash flows from operating activities:			
Net cash (expenditure)/income		(11,582)	2,401,351
Adjustments to cash flows from non-cash items			
Depreciation of tangible fixed assets		435	45
Profit on disposal of tangible fixed assets		(54)	-
Investment income		(77,227)	(38,629)
		(88,428)	2,362,767
Working capital adjustments			
Increase in debtors		(11,185)	(680,337)
increase/(Decrease) in creditors		(8,482)	(2,286)
Net cash flows from operating activities		108,095	1,680,144
Cash flows from investing activities			
Interest receivable and similar income		77,227	38,629
Donation of tangible fixed assets		-	(395,000)
Purchase of tangible fixed assets		(630,004)	(1,069)
Proceeds from disposal of tangible fixed assets		900	-
Net cash flows from investing activities		(551,877)	(357,440)
Net increase in cash and cash equivalents		(659,972)	1,322,704
Cash and cash equivalents at the beginning of the year		1,336,223	13,519
Cash and cash equivalents at the end of the year	10	676,251	1,336,223

The Middleton Foundation

Notes to the financial statements

For the period ended 31 March 2024

1 Charity status

The Middleton Foundation is a Company Limited by Guarantee in the United Kingdom, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The address of its registered office is: Haylofts, 5 St Thomas' Street, Newcastle upon Tyne, NE1 4LE

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

The Middleton 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 notes. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

Going concern

The charity's forecasts and projections for the next twelve months show that the charity should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance. This also considers the effectiveness of available measures to assist in mitigating the impact. The charity has strong positive cash balances and is forecasting to invest the cash in property to generate rental income. The trustees have stress tested their forecasts, taking into account various scenarios, and remain confident that the uncertainties do not cast significant doubt on the company's ability to continue as a going concern.

Exemption from preparing group accounts

The charity has taken advantage of the exemption in section 398 of the Companies Act 2006 from the requirement to prepare consolidated financial statements, on the grounds that it is a small sized group and has taken advantage of section 24.13A of the Charities SORP on the basis that the financial results of its only subsidiary are immaterial to the financial statements of the group.

Estimation uncertainty and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these financial statements the directors do not consider there were any significant areas of judgement that were required in applying the company's accounting policies as set out above.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Investment income

Interest is recognised when it is recognised on the earlier of being notified of the amount or it being receipted into the bank.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

The Middleton Foundation

Notes to the financial statements

For the period ended 31 March 2024

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £1,000 or more are initially recorded at cost.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Computer Equipment	25% straight line
Land and Buildings	Over 50 years

The depreciation policy for land and buildings has been calculated on the cost of the buildings at a rate of 2% per annum. However, the board will not depreciate the buildings further below recoverable amount.

The value of the buildings was determined by an external valuation, performed prior to the building being donated or purchased. The value of the donations has been taken as deemed cost.

The properties are held as fixed assets on the basis that it aligns with the charitable objectives to provide accommodation and forever homes to its beneficiaries. As a result, all rental income received is recorded as charitable activities income.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

The Middleton Foundation

Notes to the financial statements

For the period ended 31 March 2024

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds and designated funds that are available for use at the trustee's discretion in furtherance of the objectives of the charity.

3 Income from donations and legacies

	Unrestricted Funds General £	Total 2024 £	Total 2023 £
Donations and legacies:			
Donations	39,852	39,852	2,615,089
	<u>39,852</u>	<u>39,852</u>	<u>2,615,089</u>

All prior year income was unrestricted.

4 Income from charitable activities

	Unrestricted Funds General £	Total 2024 £	Total 2023 £
Provision of Housing	51,305	51,305	14,676
	<u>51,305</u>	<u>51,305</u>	<u>14,676</u>

5 Investment income

	Unrestricted Funds General £	Total 2024 £	Total 2023 £
Interest receivable and similar income:			
Interest receivable on bank deposits	77,227	77,227	38,629
	<u>77,227</u>	<u>77,227</u>	<u>38,629</u>

The Middleton Foundation

Notes to the financial statements (Continued)
For the period ended 31 March 2024

6 Expenditure on charitable activities

	Unrestricted General	Total 2024	Total 2023
	£	£	£
Grant funding of activities	36,011	36,011	96,083
Housing activities	3,663	3,663	7,606
Provision of support to other charities	131,445	131,445	155,368
Governance costs	8,847	8,847	7,986
	<u>179,966</u>	<u>179,966</u>	<u>267,043</u>

An analysis of grants made to organisations is provided below.

	Unrestricted General	Total 2024	Total 2023
	£	£	£
Red Sky Foundation	-	-	35,613
New Covenant Ministries	-	-	8,615
Cancer Research UK	-	-	6,637
Dragonfly Cancer Trust	4,566	4,566	3,814
Tiny Lives Trust	-	-	3,572
Charlie Gard Foundation	-	-	3,003
Newcastle Cat & Dog Shelter	-	-	2,500
Feeding families	-	-	2,500
Children's Hospices Across Scotland	-	-	2,230
Edinburgh Cat & Dog home	-	-	2,274
Action for A-T	1,900	1,900	2,195
Yorkshire Cat Rescue	4,248	4,248	2,149
Scottish Cot Death Trust	-	-	2,064
Scottish Association for Mental Health	-	-	2,000
The Childrens Adventure Farm Trust	2,121	2,121	1,037
Children in Need	-	-	1,040
Ukraine Appeal	-	-	1,000
Children of Choba	-	-	1,000
Changing lives	-	-	1,000
Myaware	2,316	2,316	-
Remembering Rebecca	2,170	2,170	-
Scottish SPCA	2,009	2,009	-
North East Air Ambulance	1,848	1,848	-
Sports Newcastle	1,968	1,968	-
Other donations (less than £1,000)	12,866	12,866	11,840
	<u>36,011</u>	<u>36,011</u>	<u>96,083</u>

The Middleton Foundation

Notes to the financial statements (Continued)

For the period ended 31 March 2024

Provision of support to other charities

	Support costs	Total 2024	Total 2023
	£	£	£
Wages and salaries	86,672	86,672	98,613
Insurance	1,767	1,767	900
Telephone	292	292	568
Computer software and maintenance	18,366	18,366	21,364
Printing, postage and stationery	66	66	67
Travel and subsistence	1,217	1,217	3,521
Marketing and PR	5,686	5,686	16,360
Accountancy fees	9,190	9,190	8,613
Depreciation	435	435	45
Bank charges	211	211	281
Professional Fees	576	576	649
Fund raising Fees	5,479	5,479	-
Staff training	1,488	1,488	4,215
Foreign exchange loss	-	-	172
	<u>131,455</u>	<u>131,455</u>	<u>155,368</u>

Governance costs

	Unrestricted General	Total 2024	Total 2023
	£	£	£
Audit fees			
Audit of the financial statements	-	-	7,200
Other fees paid to auditors	-	-	660
Independent examiners fees			
Examination of the financial statements	4,500	4,500	-
Other fees to Independent examiners	960	960	-
Legal fees	3,387	3,387	126
	<u>8,847</u>	<u>8,847</u>	<u>7,986</u>

7. Trustees' remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

£483 (2023 : £259) of expenses were reimbursed to P R Woolston during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

The Middleton Foundation

Notes to the financial statements (Continued)

For the period ended 31 March 2024

8. Staff costs

The average number of employees during the period was as follows:

	2024	2023
Management	1	1
Support	2	2
	<u>3</u>	<u>3</u>

The total staff costs and employee benefits was as follows:

	2024	2023
	£	£
Wages and salaries	82,531	92,309
Social security costs	2,304	4,364
Pension costs	1,836	2,349
	<u>86,672</u>	<u>99,022</u>

No employee had employee benefits in excess of £60,000 (2023 - £60,000).

9. Independent examiner's remuneration

	2024	2023
	£	£
Examination of the financial statements	<u>4,500</u>	<u>-</u>

10. Taxation

The charity is exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The Middleton Foundation

Notes to the financial statements (Continued)
For the period ended 31 March 2024

11 Tangible fixed assets

	Land and buildings £	Computer equipment £	Total £
Cost			
At 1 April 2023			
Additions	395,000	1,069	396,069
Disposals	628,632	1,372	630,004
	-	(1,069)	(1,069)
At 31 March 2024	1,023,632	1,372	1,025,004
Depreciation			
At 1 April 2023			
Charge for the year	-	45	45
Depreciation on disposals	-	435	435
	-	(223)	(223)
At 31 March 2024	-	257	257
Carrying amount			
At 31 March 2023	395,000	1,024	396,024
At 31 March 2024	1,023,632	1,115	1,024,747

Included within the net book value of land and buildings above is £1,023,632 (2023 - £395,000) in respect of freehold land and buildings and £ Nil (2023 - £ Nil) in respect of leaseholds.

During the year ended 31 March 2023, the Charity was donated a property, 116 Wigton Road, Carlisle which will be used as a rental property as part of the Molly Project. The property was valued on 22 July 2022 at a value of £395,000 for the purpose of being donated to the charity by Vickers and Barrass Chartered Surveyors. The value of the donation has been taken as deemed cost.

The property is held as a fixed asset on the basis that it aligns with the charitable objectives to provide accommodation and Forever Homes to its beneficiaries. As a result, all rental income received is recorded as charitable activities income.

The Middleton Foundation

Notes to the financial statements (Continued)
For the period ended 31 March 2024

12 Fixed asset investments

	2024 £	2023 £
Shares in group undertakings and participating interests	1	1
	Subsidiary undertakings	Total
	£	£
Shares in group undertakings and participating interests	1	1
Cost		
At 1 April 2023		
	1	1
At 31 March 2024		
	1	1
Net book value		
At 1 April 2023		
	1	1
At 1 April 2024		
	1	1
Details of undertakings		

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2024	2023
Subsidiary undertakings				
Charity Escapes Trading Company Limited	England and Wales	100%	100%	100%

The Middleton Foundation

Notes to the financial statements (Continued) For the period ended 31 March 2024

Subsidiaries undertakings

The profit for the financial period of Charity Escapes Trading Company Limited was £25,740 (2023 - £35,564) and the aggregate amount of capital and reserves at the end of the period was £24,308 (2023 - £50,047).

The Charity has taken the exemption of preparing group accounts on the basis that the subsidiary, Charity Escapes Trading Company Limited's results are immaterial to the group.

13 Debtors

	2024	2023
	£	£
Trade debtors	7,032	2,006
Due from group undertakings	18,793	48,593
Prepayments	2,305	7,030
Accrued income	34,560	9,647
Other debtors	721,444	705,674
	<u>784,135</u>	<u>772,950</u>

Amounts due from group undertakings are repayable on demand.

14 Cash and cash equivalents

	2024	2023
	£	£
Cash at bank	376,251	666,570
Short-term deposits and liquid investments	300,000	669,653
	<u>676,251</u>	<u>1,336,223</u>

15 Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	3,338	5,087
Other taxation and social security	-	2,240
Other creditors	189	411
Accruals and deferred income	8,457	12,729
	<u>11,985</u>	<u>20,467</u>

The Middleton Foundation

Notes to the financial statements (Continued) For the period ended 31 March 2024

16 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £1,836 (2023 £ 2,349). Contributions totalling £189 (2023: £ 411) were payable to the scheme at the end of the year.

17 Funds

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Balance at 31 March 2024 £
Unrestricted funds				
<i>General</i>				
Unrestricted funds	55,691	45,256	(168,788)	(67,841)
<i>Designated</i>				
Molly Project	2,429,040	123,127	(11,178)	2,540,989
Total fund	<u>2,484,731</u>	<u>168,383</u>	<u>(179,966)</u>	<u>2,473,148</u>

18 Analysis of net assets between funds

	Unrestricted		Total Funds
	General £	Designated £	£
Tangible fixed assets	1,115	1,023,632	1,024,747
Fixed asset investments	1	-	1
Net current assets/(liabilities)	(68,957)	1,517,357	1,448,400
Total net assets	<u>(67,841)</u>	<u>2,540,989</u>	<u>2,473,148</u>

	Unrestricted		Total Funds at 31 March 2023
	General £	Designated £	£
Tangible fixed assets	1,024	395,000	396,024
Fixed asset investments	1	-	1
Net current assets/(liabilities)	54,666	2,034,040	2,088,706
Total net assets	<u>55,691</u>	<u>2,429,040</u>	<u>2,484,731</u>

The Middleton Foundation

Notes to the financial statements *(Continued)* For the period ended 31 March 2024

19 Analysis of net funds

	At 1 April 2023 £	Financing Cash flows £	At 31 March 2024 £
Cash at bank and in hand	1,336,223	(659,972)	676,251
Net cash	<u>1,336,223</u>	<u>(659,972)</u>	<u>676,251</u>
	At 1 April 2022 £	Financing Cash flows £	At 31 March 2023 £
Cash at bank and in hand	13,519	1,322,704	1,336,223
Net cash	<u>13,519</u>	<u>1,322,704</u>	<u>1,336,223</u>

20 Related party transactions

A balance of £18,793 (2023: £48,593) was owed by the charity's subsidiary Charity Escapes Trading Company Limited at the year end. Advances were made to the charity's subsidiary totalling £ Nil Repayments were received from the charity's subsidiary totalling £29,800. The amount is repayable on demand.

During the year donations of £nil (2023: £2,536,700) were received from Jeremy and Catherine Middleton, the founders of The Middleton Foundation.

A balance of £721,444 (2023: £ 705,674) was owed by Middleton Enterprises Limited, an entity in which there is common control in which trustees of the charity are also directors of the company.

THE MIDDLETON FOUNDATION

England & Wales - Charity number 1168170

Accounts

Company registration number: 10038349

Charity registration number: 1168170

THE MIDDLETON FOUNDATION

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2023

The Middleton Foundation

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The Middleton Foundation

Reference and Administrative Details

Trustees	P R Woolston J P Middleton C Middleton J C Middleton (resigned 8 November 2022) L E Middleton (appointed 8 November 2022)
Secretary	R L Johnston
Key Management Personnel	C Sells
Registered Office	62 The Close Quayside Lofts Newcastle upon Tyne NE1 3RJ The charity is incorporated in England and Wales.
Company Registration Number	10038349
Charity Registration Number	1168170
Bankers	Handlesbanken Sunderland 17 Pickersgill Court Quay West Riverside Business Village Sunderland SR5 2AQ
Auditor	Azets Audit Services Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

The Middleton Foundation

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2023.

Structure, governance and management

Nature of governing document

The company is constituted a charitable company limited by guarantee, registered in England and Wales (company number 10038349), governed by its Memorandum and Articles of Association dated 10 February 2016 and is a registered charity with the charity commission in England and Wales (charity number 1168170).

Recruitment and appointment of trustees

The management of the charitable company is the responsibility of the board trustees. The trustees are volunteers and give their time and experience freely. Trustees are elected and co-opted under the terms of the Articles of Association.

Induction and training of trustees

An induction is provided to new trustees. This allows them to understand their role in the charity, gain clarity on their legal responsibilities, and acquire knowledge on the key policies and procedures of the charity.

Relationships with related parties

The company has a wholly owned trading subsidiary, Charity Escapes Trading Company Limited Company number 10480807. Each operate with separate management teams and board of directors. The executive management team of the trading subsidiary update the Trustees quarterly of operations and performance.

Major Risks and management of those risks

The trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. The board of trustees reviews the risk register at least annually to ensure transparency and control of all identified risks.

Objectives and activities

Objects and aims

- To provide accommodation to vulnerable people with learning disabilities in the North East England and Cumbria.
- To promote any charitable purpose for the benefit of the public generally, both in the UK and overseas.
- To apply the income or all such part or parts of the capital, at such time or times and in such manner as the trustees may in their discretion think fit in making donations and/or grants for the public benefit worldwide for charitable purposes and/or to existing charities whose charitable objects are principally:
 - The relief of those in need by reason of youth, ill health, disability, financial hardship, or other disadvantage
 - The prevention or relief of poverty
 - The advancement of education, the arts, culture or heritage

The Middleton Foundation

Trustees' Report

Our ambition is to provide affordable social housing to individuals with learning disabilities, in the North East of England and Cumbria, with a mission to help them find and secure a long-term, forever home. Our aim is to address the critical need for affordable housing options specifically tailored to meet the unique requirements of individuals with learning disabilities. We understand that providing the right home is the foundation to empowering individuals with disabilities to live a fulfilled life with dignity, independence, and empower a sense of belonging in the local community. The Trustees have named this housing project Mollys Project.

Objectives, strategies and activities

Molly's Project began in the summer 2022, following the receipt of two substantial donations to the charity.

The project has focused on four key pillars to achieve progress towards its objectives;

- Affordable Social Housing: The Middleton Foundation recognises the challenges faced by individuals with learning disabilities and their families in finding suitable and affordable accommodation. Through Molly's Project, the Foundation aims to bridge this gap by creating affordable housing options that prioritise accessibility, safety, and inclusivity.

- Long-Term, Forever Homes: The project emphasises the importance of stability and continuity in the lives of individuals with learning disabilities. By providing long-term housing solutions, Molly's Project aims to create a sense of belonging, independence, and security for its residents.

- Collaboration and Partnership: The Middleton Foundation are working in partnership with registered Housing Associations. The project aims to leverage their expertise and resources to ensure the long-term sustainability and viability of the housing initiatives.

- Communication: building relationship and continued dialogue with families, colleges, Local Authority commissioners, The Integrated Care Board in the North East and Cumbria, care providers, social workers and Housing Associations.

The Foundation has continued to make donations during the year to other charities. 2022 has been a difficult year, following aftermath of the pandemic and significant inflation in the UK, charities have found it difficult to regain the levels of donations needed to maintain operations. The Foundation is proud to be able to provide donations to support the continued operations of UK charities during this difficult time.

Through the Foundations investment in its trading subsidiary, Charities Escapes Trading Company Limited, The Foundation has been able to further support charities to raise much needed funding. Charities Escapes Trading Company Limited has continued to deliver a high quality service to charities in the UK inline with its objectives.

Public benefit

The trustees consider that through providing affordable housing to vulnerable people with learning disabilities, the enabling other charities to raise greater funds for their charitable purposes and by the provision of grants, the Middleton Foundation is delivering public benefit.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

The Middleton Foundation

Trustees' Report

Achievements and performance

The charity received two large donations in 2022. The trustees made the decision to designate these funds and assets to Molly project, the charities affordable social housing project for individuals with learning disabilities in the North East of England and Cumbria.

2022 has been a year of investment, building a stable foundation for Molly's Project. During the year the trustees made significant progress on its four key pillars of Molly's project;

- The trustees received a donation of a 4 bed property in Carlisle. This property has provided a forever home to 3 young ladies with learning disabilities and provided vital comfort and reassurance to their families. Allowing the ladies and their families to live a fulfilled and happy life. The rental yield of 6% received on this property has been reinvested into Molly's project to help more individuals with learning disabilities find their forever home.
- The trustees developed working partnerships with two registered housing providers. These partnerships will enable high quality, sustainable and safe housing to be provided by the project in the future. The knowledge and expertise of these housing associations is invaluable to the success of the project.
- The project has invested significant resource into building relationships and maintaining communication with seven local authority commissioning teams in the North East and The Integrated Care Board in the North East and Cumbria.

The focus this year has been on developing Molly's projects footprint in the North East and Cumbria and working with commissioners, care providers and registered housing to determine compatibility of individuals and housing requirement specifications. During this time the trustees have invested the donated funds to make the best balanced risk/return on the funds – generating a yield of 3% in the period.

Key non-financial performance indicators

In the year Molly's project has provided housing for 3 people with learning disabilities in the North East and Cumbria.

The trustees were pleased to be able to award grants totalling £96K (2021:£48K) to 83 charities. The coming year continues to provide significant uncertainty in the hospitality industry due to the residual impact of Covid-19 and the cost of living crisis squeezing household disposable income in the UK.

In addition the Foundations trading subsidiary, has achieved the following over the year to 31 March 2023:

Number of donors – 32 (FY22: 65)

Total number of prizes donated – 673 (FY22: 653)

Number of charities supported by the placing of prizes into their events – 220 (FY22: 127)

Total funds raised for charities through prize events - £182,418 (FY22: £216,455)

The Middleton Foundation

Trustees' Report

Financial review

The charity received £2,615K of donations and earned £53K from rent and interest. The cost to run the charity for the year totalled £171k and donations in support of other charities totalled £96K.

At the year end the Foundation has unrestricted reserves of £2,485K. Of these reserves, £49K is tied up in intercompany loans with the trading subsidiary and £2,429K has been designated by the trustees to Molly's project. The trading subsidiary made regular repayments of the intercompany loan totalling £37K in the year.

Policy on reserves

In line with Charity Commission guidelines the trustees monitor the level of reserves held to ensure they are being used to help the objectives of the charity. The calculation of free reserves is based on the definition included in the charity statement of recommended practice (SORP), which provides recommendations for accounting and reporting for charities. The trustees have examined the requirements of the charity to hold free reserves – those reserves not invested in tangible fixed assets, excluding intercompany loans, long term liabilities, or designated for a particular purpose. The Trustees considered it would be appropriate to hold the equivalent of 3 months expenditure. 3 months expenditure would equate to holding approximately £55K in free reserves. On this basis free reserve are £6K at the year-end (negative £3K FY22).

Fundraising disclosures

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised direct from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors. The charity's brand awareness is facilitated through a public relation consultant, social media feeds and positive word of mouth advertising. We report on any fundraising complaints for which there were none in 2023.

Plans for future periods

The trustees are encouraged by the progress made on Molly's project to date. The substantial donation of shares and property to the value of £2,391K has allowed the trustees vision of to begin to be realised.

The trustees remain committed to providing affordable social housing to individuals with learning disabilities in the North East and Cumbria. There is a substantial need in the local community for this provision. Over the long term the ambition is to provide a legacy of a substantial property portfolio which provides valuable forever homes, linking with colleges and schools to provide the next step in the personal development of young people with learning disabilities. Post year end the charity has purchased an additional property housing 2 individuals and has an offer in the market for an additional property housing 3 individuals.

The trading subsidiary continues to raise substantial sums for charities. However it has become increasingly difficult to source donated prizes. The trustee have assessed the current and forecasted market conditions inline with the operational objective of the trading subsidiary and in September 2023 have reached the difficult decision to cease supporting the operating of the trading subsidiary. An orderly windup of the company will begin to be facilitated during 2023 with operations planned to end in January 2024. All liabilities and commitments will be honoured by the company.

The Middleton Foundation

Trustees' Report

Going concern

The charity's forecasts and projections for the next twelve months show that the charity should be able to continue in operational existence for that period. The charity has a significant positive cash balance and is forecasting for this to continue through execution of the project plan.

Statement of Trustees' Responsibilities

The trustees (who are also the directors of The Middleton Foundation for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Azets Audit Services as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

The annual report was approved by the trustees of the charity on 25 October 2023 and signed on its behalf by:



P R Woolston
Trustee

The Middleton Foundation

Independent Auditor's Report to the Members of The Middleton Foundation

Opinion

We have audited the financial statements of The Middleton Foundation (the 'charity') for the year ended 31 March 2023, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (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 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor 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 the provisions available for small entities, in the circumstances set out in note to the financial statements, 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.

The prior year numbers were not audited.

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 were 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 auditor's report 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.

The Middleton Foundation

Independent Auditor's Report to the Members of The Middleton Foundation

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustee report (set out on page 6), 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 liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

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

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

The Middleton Foundation

Independent Auditor's Report to the Members of The Middleton Foundation

- Enquiries with management, about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety, anti-bribery and corruption; and, compliance with both the UK Companies Act and UK Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISA's (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Brown BA ACA DChA (Senior Statutory Auditor)

For and on behalf of
Azets Audit Services
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 13-11-2023

Azets Audit Services is a trading name of Azets Audit Services Limited

The Middleton Foundation

Statement of Financial Activities for the Year Ended 31 March 2023 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Total 2023 £	Total 2022 £
Income and Endowments from:				
Donations and legacies	3	2,615,089	2,615,089	154,128
Charitable activities	4	14,676	14,676	-
Investment income	5	38,629	38,629	59
Total Income		<u>2,668,394</u>	<u>2,668,394</u>	<u>154,187</u>
Expenditure on:				
Charitable activities	6	<u>(267,043)</u>	<u>(267,043)</u>	<u>(186,242)</u>
Total Expenditure		<u>(267,043)</u>	<u>(267,043)</u>	<u>(186,242)</u>
Net income/(expenditure)		<u>2,401,351</u>	<u>2,401,351</u>	<u>(32,055)</u>
Net movement in funds		2,401,351	2,401,351	(32,055)
Reconciliation of funds				
Total funds brought forward		<u>83,380</u>	<u>83,380</u>	<u>115,435</u>
Total funds carried forward	19	<u>2,484,731</u>	<u>2,484,731</u>	<u>83,380</u>

All of the charity's activities derive from continuing operations during the above two periods.

The Middleton Foundation

Comparative Statement of Financial Activities for the Year Ended 31 March 2022

(Including Income and Expenditure Account and Statement of Total
Recognised Gains and Losses)

	Note	Unrestricted £	Total 2022 £
Income and Endowments from:			
Donations and legacies	3	154,128	154,128
Investment income	5	59	59
Total income		<u>154,187</u>	<u>154,187</u>
Expenditure on:			
Charitable activities	6	(186,242)	(186,242)
Total expenditure		<u>(186,242)</u>	<u>(186,242)</u>
Net expenditure		<u>(32,055)</u>	<u>(32,055)</u>
Net movement in funds		(32,055)	(32,055)
Reconciliation of funds			
Total funds brought forward		<u>115,435</u>	<u>115,435</u>
Total funds carried forward	19	<u><u>83,380</u></u>	<u><u>83,380</u></u>

The Middleton Foundation

(Registration number: 10038349)
Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	396,024	-
Investments	14	<u>1</u>	<u>1</u>
		<u>396,025</u>	<u>1</u>
Current assets			
Debtors	15	772,950	92,613
Cash at bank and in hand	16	<u>1,336,223</u>	<u>13,519</u>
		2,109,173	106,132
Creditors: Amounts falling due within one year	17	<u>(20,467)</u>	<u>(22,753)</u>
Net current assets		<u>2,088,706</u>	<u>83,379</u>
Net assets		<u>2,484,731</u>	<u>83,380</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>2,484,731</u>	<u>83,380</u>
Total funds	19	<u>2,484,731</u>	<u>83,380</u>

The financial statements on pages 10 to 26 were approved by the trustees, and authorised for issue on 25 October 2023 and signed on their behalf by:



P R Woolston
Trustee

The Middleton Foundation

Statement of Cash Flows for the Year Ended 31 March 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash income/(expenditure)		2,401,351	(32,055)
Adjustments to cash flows from non-cash items			
Depreciation		45	-
Investment income	5	(38,629)	(59)
		2,362,767	(32,114)
Working capital adjustments			
(Increase)/decrease in debtors	15	(680,337)	28,476
(Decrease)/increase in creditors	17	(2,286)	16,136
Net cash flows from operating activities		1,680,144	12,498
Cash flows from investing activities			
Interest receivable and similar income	5	38,629	59
Donation of tangible fixed assets	13	(395,000)	-
Purchase of tangible fixed assets		(1,069)	-
Net cash flows from investing activities		(357,440)	59
Net increase in cash and cash equivalents		1,322,704	12,557
Cash and cash equivalents at 1 April		13,519	962
Cash and cash equivalents at 31 March		1,336,223	13,519

All of the cash flows are derived from continuing operations during the above two periods.

The Middleton Foundation

Notes to the Financial Statements for the Year Ended 31 March 2023

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The address of its registered office is: 62 The Close, Quayside Lofts, Newcastle upon Tyne, NE1 3RJ.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

The Middleton 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 notes.

Going concern

The charity's forecasts and projections for the next twelve months show that the charity should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance. This also considers the effectiveness of available measures to assist in mitigating the impact. The charity has strong positive cash balances and is forecasting for this to continue to be the case. The trustees have stress tested their forecasts, taking into account various scenarios, and remain confident that the uncertainties do not cast significant doubt on the company's ability to continue as a going concern.

Exemption from preparing group accounts

The charity has taken advantage of the exemption in section 398 of the Companies Act 2006 from the requirement to prepare consolidated financial statements, on the grounds that it is a small sized group and has taken advantage of section 24.13A of the Charities SORP on the basis that the financial results of its only subsidiary are immaterial to the financial statements of the group.

The Middleton Foundation

Notes to the Financial Statements for the Year Ended 31 March 2023

Estimation uncertainty and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these financial statements the directors do not consider there were any significant areas of judgement that were required in applying the company's accounting policies as set out above.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Investment income

Interest is recognised when it is recognised on the earlier of being notified of the amount or it being receipted into the bank.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

The Middleton Foundation

Notes to the Financial Statements for the Year Ended 31 March 2023

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £1,000 or more are initially recorded at cost.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Computer Equipment	25% straight line
Land and Buildings	over 50 years

The depreciation policy for land and buildings has been calculated on the cost of the building at a rate of 2% per annum. However, the board will not depreciate the building further once its carrying value is reduced below £395k. The board believe that the residual value of the building will not reduce below £395k, and that all ongoing repairs and maintenance charged to the SOFA during the period reflect the cost of using the building.

The value of the building was determined by an external valuation, performed prior to the building being donated to the charity. The value of the donations has been taken as deemed cost.

The property is held as a fixed asset on the basis that it aligns with the charitable objectives to provide accommodation and forever homes to its beneficiaries. As a result, all rental income received is recorded as charitable activities income.

Current asset investments

Current asset investments are included at the lower of cost and net realisable value / market value.

The investments are fixed term deposit accounts in which the maturity date of the investment is greater than 30 days after the year end.

The Middleton Foundation

Notes to the Financial Statements for the Year Ended 31 March 2023

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds and designated funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

3 Income from donations and legacies

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Donations and legacies;			
Donations	2,615,089	2,615,089	154,128
	<u>2,615,089</u>	<u>2,615,089</u>	<u>154,128</u>

All prior year income was unrestricted.

4 Income from charitable activities

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Provision of Housing	14,676	14,676	-

The Middleton Foundation

Notes to the Financial Statements for the Year Ended 31 March 2023

5 Investment income

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Interest receivable and similar income; Interest receivable on bank deposits	38,629	38,629	59

All prior year income was unrestricted.

6 Expenditure on charitable activities

	Unrestricted General £	Total 2023 £	Total 2022 £
Grant funding of activities	96,083	96,083	48,000
Housing Activities	7,606	7,606	-
Provision of support to other charities	155,368	155,368	132,464
Governance Costs	7,986	7,986	5,778
	<u>267,043</u>	<u>267,043</u>	<u>186,242</u>

The Middleton Foundation

Notes to the Financial Statements for the Year Ended 31 March 2023

7 Analysis of governance and support costs

Grant funding of activities analysis

	Unrestricted	Total 2023	Total 2022
	General £	£	£
Red Sky Foundation	35,613	35,613	1,935
New Covenant Ministries	8,615	8,615	-
Cancer Research UK	6,637	6,637	-
Dragonfly Cancer Trust	3,814	3,814	1,000
Tiny Lives Trust	3,572	3,572	-
Charlie Gard Foundation	3,003	3,003	12,411
Newcastle Cat & Dog Shelter	2,500	2,500	-
Feeding families	2,500	2,500	-
Children's Hospices Across Scotland	2,230	2,230	2,951
Edinburgh Cat & Dog home	2,274	2,274	-
Action for A-T	2,195	2,195	-
Yorkshire Cat Rescue	2,149	2,149	-
Scottish Cot Death Trust	2,064	2,064	-
Scottish Association for Mental Health	2,000	2,000	-
The Childrens Adventure Farm Trust	1,037	1,037	-
Children in Need	1,040	1,040	-
Ukraine Appeal	1,000	1,000	5,000
Children of Choba	1,000	1,000	-
Changing lives	1,000	1,000	-
Theatre Royal Newcastle	-	-	2,238
Norahs North Pole	-	-	1,539
Mind Association	-	-	1,431
NE Homeless	-	-	1,271
North East Air Ambulance	-	-	1,000
Other donations (less than £1,000)	11,840	11,840	17,224
	<u>96,083</u>	<u>96,083</u>	<u>48,000</u>

The Middleton Foundation

Notes to the Financial Statements for the Year Ended 31 March 2023

Provision of support to other charities

	Support costs £	Total 2023 £	Total 2022 £
Wages and salaries	98,613	98,613	91,822
Insurance	900	900	1,219
Telephone	568	568	-
Computer software and maintenance	21,364	21,364	12,923
Printing, postage and stationery	67	67	-
Sundry expenses	-	-	1,574
Travel and subsistence	3,521	3,521	3,711
Marketing and PR	16,360	16,360	13,085
Accountancy fees	8,613	8,613	7,920
Depreciation	45	45	-
Bank charges	281	281	210
Legal Fees	649	649	-
Staff training	4,215	4,215	-
Foreign exchange loss	172	172	-
	<u>155,368</u>	<u>155,368</u>	<u>132,464</u>

Governance costs

	Unrestricted General £	Total 2023 £	Total 2022 £
Audit fees			
Audit of the financial statements	7,200	7,200	-
Other fees paid to auditors	660	660	-
Independent examiner fees			
Examination of the financial statements	-	-	3,300
Legal fees	126	126	2,478
	<u>7,986</u>	<u>7,986</u>	<u>5,778</u>

8 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

P R Woolston

£259 (2022: £Nil) of expenses were reimbursed to P R Woolston during the year.

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any other benefits from the charity during the year.

The Middleton Foundation

Notes to the Financial Statements for the Year Ended 31 March 2023

9 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	92,309	87,970
Social security costs	4,364	1,954
Pension costs	2,349	1,898
	<u>99,022</u>	<u>91,822</u>

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

	2023 No	2022 No
Management	1	1
Support	2	2
	<u>3</u>	<u>3</u>

No employee received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the charity were £42,728 (2022 - £29,902).

10 Independent examiner's remuneration

	2023 £	2022 £
Examination of the financial statements	-	3,300

11 Auditors' remuneration

	2023 £	2022 £
Audit of the financial statements	7,200	-
Other fees to auditors		
Taxation compliance services	660	-

12 Taxation

The charity is exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The Middleton Foundation

Notes to the Financial Statements for the Year Ended 31 March 2023

13 Tangible fixed assets

	Land and buildings £	Computer equipment £	Total £
Cost			
Additions	395,000	1,069	396,069
At 31 March 2023	395,000	1,069	396,069
Depreciation			
Charge for the year	-	45	45
At 31 March 2023	-	45	45
Net book value			
At 31 March 2023	395,000	1,024	396,024

Included within the net book value of land and buildings above is £395,000 (2022 - £Nil) in respect of freehold land and buildings and £Nil (2022 - £Nil) in respect of leaseholds.

During the year ended 31 March 2023, the Charity was donated a property, 116 Wigton Road, Carlisle which will be used as a rental property as part of the Molly Project. The property was valued on 22 July 2022 at a value of £395,000 for the purpose of being donated to the charity by Vickers and Barrass Chartered Surveyors. The value of the donation has been taken as deemed cost.

The property is held as a fixed asset on the basis that it aligns with the charitable objectives to provide accommodation and Forever Homes to its beneficiaries. As a result all rental income received is recorded as charitable activities income.

The Middleton Foundation

Notes to the Financial Statements for the Year Ended 31 March 2023

14 Fixed asset investments

	2023 £	2022 £
Shares in group undertakings and participating interests	<u>1</u>	<u>1</u>

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 April 2022	<u>1</u>	<u>1</u>
At 31 March 2023	<u>1</u>	<u>1</u>
Net book value		
At 31 March 2023	<u>1</u>	<u>1</u>
At 31 March 2022	<u>1</u>	<u>1</u>

The Middleton Foundation

Notes to the Financial Statements for the Year Ended 31 March 2023

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2023	2022

Subsidiary undertakings

Charity Escapes Trading Company Limited	England and Wales	100%	100%	100%
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Subsidiaries

The profit for the financial period of Charity Escapes Trading Company Limited was £35,564 (2022 - £35,881) and the aggregate amount of capital and reserves at the end of the period was £(50,047) (2022 - £(85,611)).

The Charity has taken the exemption of preparing group accounts on the basis that the subsidiary, Charity Escapes Trading Company Limited's results are immaterial to the group.

15 Debtors

	2023 £	2022 £
Trade debtors	2,006	-
Due from group undertakings	48,593	86,438
Prepayments	7,030	6,175
Accrued income	9,647	-
Other debtors	705,674	-
	<u>772,950</u>	<u>92,613</u>

Amounts due from group undertakings are repayable on demand.

The Middleton Foundation

Notes to the Financial Statements for the Year Ended 31 March 2023

16 Cash and cash equivalents

	2023 £	2022 £
Cash at bank	666,570	13,519
Short-term deposits and liquid investments	669,653	-
	<u>1,336,223</u>	<u>13,519</u>

17 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	5,087	4,636
Other taxation and social security	2,240	2,196
Other creditors	411	387
Accruals and deferred income	12,729	15,534
	<u>20,467</u>	<u>22,753</u>

18 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £2,349 (2022 - £1,898). Contributions totalling £411 (2022: £387) were payable to the scheme at the end of the year.

19 Funds

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Balance at 31 March 2023 £
Unrestricted funds				
<i>General</i>				
Unrestricted funds	83,380	223,889	(251,578)	55,691
<i>Designated</i>				
Molly Project	-	2,444,505	(15,465)	2,429,040
Total funds	<u>83,380</u>	<u>2,668,394</u>	<u>(267,043)</u>	<u>2,484,731</u>

The Middleton Foundation

Notes to the Financial Statements for the Year Ended 31 March 2023

20 Analysis of net assets between funds

	Unrestricted		Total funds
	General	Designated	
	£	£	£
Tangible fixed assets	1,024	395,000	396,024
Fixed asset investments	1	-	1
Net current assets/(liabilities)	54,666	2,034,040	2,088,706
Total net assets	55,691	2,429,040	2,484,731

	Unrestricted		Total funds at 31 March 2022
	General	Designated	
	£	£	£
Fixed asset investments	1	-	1
Net current assets/(liabilities)	83,379	-	83,379
Total net assets	83,380	-	83,380

21 Analysis of net funds

	At 1 April 2022	Financing cash flows	At 31 March 2023
	£	£	£
Cash at bank and in hand	13,519	968,699	982,218
Net cash	13,519	968,699	982,218

	At 1 April 2021	Financing cash flows	At 31 March 2022
	£	£	£
Cash at bank and in hand	962	12,557	13,519
Net cash	962	12,557	13,519

22 Related party transactions

A balance of £48,593 (2022: £86,438) was owed by the charity's subsidiary Charity Escapes Trading Company Limited at the year end. Advances were made to the charity's subsidiary totalling £Nil. Repayments were received from the charity's subsidiary totalling £37,844. The amount is repayable on demand.

During the year donations of £2,536,700 (2022: £85,000) were received from Jeremy and Catherine Middleton, the founders of The Middleton Foundation. An element of the donation was in the form of gifting a property which had a value at the point of gifting of £395,000.

A balance of £705,674 (2022: £Nil) was owed by Middleton Enterprises Limited, a entity in which there is common control in which trustees of the charity are also directors of the company.

THE MIDDLETON FOUNDATION

England & Wales - Charity number 1168170

Accounts

Company registration number: 10038349

Charity registration number: 1168170

THE MIDDLETON FOUNDATION

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2022

The Middleton Foundation

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The Middleton Foundation

Reference and Administrative Details

Trustees	M D Elliot (resigned 7 April 2021) D W Alproovich (resigned 7 April 2021) R W McCordall (resigned 7 April 2021) C S Wainwright (resigned 7 April 2021) P R Woolston J P Middleton (appointed 7 April 2021) C Middleton (appointed 7 April 2021) J C Middleton (appointed 7 April 2021)
Secretary	R L Johnston
Registered Office	62 The Close Quayside Lofts Newcastle upon Tyne NE1 3RJ The charity is incorporated in England and Wales.
Company Registration Number	10038349
Charity Registration Number	1168170
Bankers	Handlesbanken Sunderland 17 Pickersgill Court Quay West Riverside Business Village Sunderland SR5 2AQ
Independent Examiner	Simon Brown BA ACA DChA Azets Audit Services Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
Key Management Personnel	C Sells, Director of Charity Escapes Trading Company

The Middleton Foundation

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2022.

Structure, governance and management

Nature of governing document

The company is constituted a charitable company limited by guarantee, governed by its Memorandum and Articles of Association dated 10 February 2016 and is a registered charity number 1168170.

Recruitment and appointment of trustees

The management of the charitable company is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association.

Induction and training of trustees

Induction is provided to new trustees if required. All Trustees appointed in 2021 have been instrumental in establishing the Charity. As a result no further induction was considered necessary.

Relationships with related parties

The company has a trading subsidiary, Charity Escapes Trading Company Limited Company number 10480807.

Major risks and management of those risks

The trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Objectives and activities

Objects and aims

- To promote any charitable purpose for the benefit of the public generally, both in the UK and overseas.
- To apply the income or all such part or parts of the capital, at such time or times and in such manner as the trustees may in their discretion think fit in making donations and/or grants for the public benefit worldwide for charitable purposes and/or to existing charities whose charitable objects are principally:
- The relief of those in need by reason of youth, ill health, disability, financial hardship, or other disadvantage
- The prevention or relief of poverty
- The advancement of education, the arts, culture or heritage

The Middleton Foundation

Trustees' Report

Objectives, strategies and activities

The trading subsidiary of the Foundation continues to make advancements inline with its objectives, and is facilitating significant funds being raised for a wide variety of charitable causes in the UK. The investment made in this subsidiary by the Foundation continued to be repaid in the year (£30,901), providing continued confidence to the trustees.

The Middleton Family continued to make significant donations during the year which enabled the Foundation to fund and operate its own activities and provide grants to other charities. We understand that the founder remains supportive and the combination of anticipated future donations and income from the trading subsidiary indicate that the Foundation will be in a position to make more grants in the coming year as well as seeing additional sums being raised for charities via the activities of the trading subsidiary.

Public benefit

The trustees consider that through enabling other charities to raise greater funds for their charitable purposes and by the provision of grants, the Middleton Foundation is delivering public benefit.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

Key non-financial performance indicators

The Foundation, including the activities of the trading subsidiary, has achieved the following over the previous 12 months:

Number of donors - 65

Total number of prizes donated - 653

Number of charities supported by the placing of prizes into their events - 127

Total funds raised for charities through prize events - £216,455

In addition, the trustees were pleased to be able to award grants totalling £48k to various charities. The coming year continues to provide uncertainty in the hospitality industry due to the continued impact of Covid-19. The Foundation and its trading subsidiary, have and will, continue to do what they can to support a wide variety of charities as they continue to navigate fundraising capabilities through this challenging time.

The Middleton Foundation

Trustees' Report

Financial review

The charity received £154k and incurred costs of £186k, in the support of other charities as described above. At the year end the Foundation has unrestricted reserves of £83k, of which around £86k is tied up in intercompany loans with the trading subsidiary as set out above. As the debt is repaid further direct grants to other charities by the trustees will be made. The trustees are satisfied with the year-end position of the Foundation.

Policy on reserves

In line with Charity Commission guidelines the trustees monitor the level of reserves held to ensure they are being used to help the objectives of the charity. The calculation of free reserves is based on the definition included in the charity statement of recommended practice (SORP), which provides recommendations for accounting and reporting for charities. The trustees have examined the requirements of the charity to hold free reserves – those reserves not invested in tangible fixed assets, excluding intercompany loans, long term liabilities, or designated for a particular purpose. The Trustees considered it would be appropriate to hold the equivalent of 3 months expenditure. 3 months expenditure would equate to holding approximately £35,000 in free reserves. On this basis free reserve are (£3,058) at the year end ((£1,094) FY21).

Fundraising disclosures

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised direct from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors. The charity's brand awareness is facilitated through public relation consultant, social media feeds and positive word of mouth advertising.

Plans for future periods

In June 2022 the Foundation received a £2,000,000 donation. The Trustees have designated these funds for a social housing project in the North East of England. The project will purchase forever homes for people with learning disabilities and/or autism. The overall aim of the project is to provide affordable, suitable forever homes for people with learning disabilities and/or autism. Homes which are adapted to best suit the needs of those living in them and to provide a better quality of life for some of the most vulnerable people in society. The Company have identified a housing association which they can work with and who's values match directly those of the Charity. The plan is to provide a house every 3 months, and collaboratively work with the commissioners, social workers, housing association, care providers, families and individuals to deliver high quality affordable homes.

Going concern

The charity's forecasts and projections for the next twelve months show that the charity should be able to continue in operational existence for that period. The charity has positive cash balances and is forecasting for this to continue.

The Middleton Foundation

Trustees' Report

Statement of Trustees' Responsibilities

The trustees (who are also the directors of The Middleton Foundation for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The annual report was approved by the trustees of the charity on 31/11/2022 and signed on its behalf by:



P R Woolston
Trustee

The Middleton Foundation

Independent Examiner's Report to the trustees of The Middleton Foundation ("the Company")

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2022.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of The Middleton Foundation are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of The Middleton Foundation as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Simon Brown BA ACA DChA
Azets Audit Services
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 20.11.2022

Azets Audit Services is a trading name of Azets Audit Services Limited.

The Middleton Foundation

Statement of Financial Activities for the Year Ended 31 March 2022 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Total 2022 £	Total 2021 £
Income and Endowments from:				
Donations and legacies	3	154,128	154,128	91,286
Investment income	4	59	59	-
Other income	5	-	-	7,224
Total Income		<u>154,187</u>	<u>154,187</u>	<u>98,510</u>
Expenditure on:				
Charitable activities	6	<u>(186,242)</u>	<u>(186,242)</u>	<u>(186,784)</u>
Total Expenditure		<u>(186,242)</u>	<u>(186,242)</u>	<u>(186,784)</u>
Net expenditure		<u>(32,055)</u>	<u>(32,055)</u>	<u>(88,274)</u>
Net movement in funds		(32,055)	(32,055)	(88,274)
Reconciliation of funds				
Total funds brought forward		<u>115,435</u>	<u>115,435</u>	<u>203,709</u>
Total funds carried forward	19	<u>83,380</u>	<u>83,380</u>	<u>115,435</u>

All of the charity's activities derive from continuing operations during the above two periods.

The Middleton Foundation

Comparative Statement of Financial Activities for the Year Ended 31 March 2021

(Including Income and Expenditure Account and Statement of Total
Recognised Gains and Losses)

	Note	Unrestricted £	Total 2021 £
Income and Endowments from:			
Donations and legacies	3	91,286	91,286
Other income	5	<u>7,224</u>	<u>7,224</u>
Total income		<u>98,510</u>	<u>98,510</u>
Expenditure on:			
Charitable activities	6	<u>(186,784)</u>	<u>(186,784)</u>
Total expenditure		<u>(186,784)</u>	<u>(186,784)</u>
Net expenditure		<u>(88,274)</u>	<u>(88,274)</u>
Net movement in funds		(88,274)	(88,274)
Reconciliation of funds			
Total funds brought forward		<u>203,709</u>	<u>203,709</u>
Total funds carried forward	19	<u>115,435</u>	<u>115,435</u>

The Middleton Foundation

(Registration number: 10038349)
Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	12	1	1
Current assets			
Debtors	13	92,613	121,089
Cash at bank and in hand	14	13,519	962
		106,132	122,051
Creditors: Amounts falling due within one year	15	(22,753)	(6,617)
Net current assets		83,379	115,434
Net assets		83,380	115,435
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		83,380	115,435
Total funds	19	83,380	115,435

For the financial year ending 31 March 2022 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 7 to 20 were approved by the trustees, and authorised for issue on 31.03.2022, and signed on their behalf by:



P R Woolston
Trustee

The Middleton Foundation

Notes to the Financial Statements for the Year Ended 31 March 2022

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The address of its registered office is: 62 The Close, Quayside Lofts, Newcastle upon Tyne, NE1 3RJ.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

The Middleton 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 notes.

Going concern

The charity's forecasts and projections for the next twelve months show that the charity should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance. This also considers the effectiveness of available measures to assist in mitigating the impact. The charity has strong positive cash balances and is forecasting for this to continue to be the case. The trustees have stress tested their forecasts, taking into account various scenarios, and remain confident that the uncertainties do not cast significant doubt on the company's ability to continue as a going concern.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Exemption from preparing group accounts

The charity has taken advantage of the exemption in section 398 of the Companies Act 2006 from the requirement to prepare consolidated financial statements, on the grounds that it is a small sized group.

The Middleton Foundation

Notes to the Financial Statements for the Year Ended 31 March 2022

Estimation uncertainty and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these financial statements the directors do not consider there were any significant areas of judgement that were required in applying the company's accounting policies as set out above.

Included in debtors is an amount due from the Charity's wholly-owned subsidiary company totalling £86,438 (2021: £117,339). The subsidiary, as at the year end, had a net deficit balance sheet of £85,611 (2021: £121,492). Therefore the recovery of the debtor (whilst repayable on demand) will take a number of years to recover and will depend on the future profitability of the trading company. No provision has been made against the debt which is expected to be recovered in full.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Government grants

Grants are recognised in income over the period in which the costs are recognised where there are performance conditions attached to the grant, otherwise the income is recognised in full.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

The Middleton Foundation

Notes to the Financial Statements for the Year Ended 31 March 2022

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £1,000 or more are initially recorded at cost.

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

The investment within the trading subsidiary entity is recorded and held at cost.

The Middleton Foundation

Notes to the Financial Statements for the Year Ended 31 March 2022

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2022 £	Total 2021 £
Donations and legacies;				
Donations	154,128	-	154,128	91,286
	<u>154,128</u>	<u>-</u>	<u>154,128</u>	<u>91,286</u>

All prior year income was unrestricted.

The Middleton Foundation

Notes to the Financial Statements for the Year Ended 31 March 2022

4 Investment income

	Unrestricted funds General £	Restricted funds £	Total 2022 £	Total 2021 £
Interest receivable and similar income;				
Interest receivable on bank deposits	59	-	59	-

All prior year income was unrestricted.

5 Other income

	Unrestricted funds General £	Restricted funds £	Total 2022 £	Total 2021 £
CJRS grant	-	-	-	7,224

All prior year income was unrestricted.

The Middleton Foundation

Notes to the Financial Statements for the Year Ended 31 March 2022

6 Expenditure on charitable activities

	Unrestricted		
	General	Total	Total
	£	2022	2021
		£	£
Grant funding of activities	48,002	48,002	49,790
Provision of support to other charities	132,464	132,464	131,613
Governance costs	5,778	5,778	5,381
	<u>186,244</u>	<u>186,244</u>	<u>186,784</u>

7 Analysis of governance and support costs

Raising funds expenditure

Grant funding of activities analysis

	Unrestricted		
	General	Total	Total
	£	2022	2021
		£	£
North East Air Ambulance	1,000	1,000	-
Charlie Gard Foundation	12,411	12,411	-
CHAS	2,951	2,951	-
Norahs North Pole	1,539	1,539	-
If You Care Share	-	-	2,018
Percy Hedley Foundation	-	-	1,128
Maggies Newcastle	1,811	1,811	7,099
Red Sky Foundation	1,935	1,935	3,886
Open North Foundation	-	-	3,739
Theatre Royal Newcastle	2,238	2,238	3,861
Black Country Womens Aid	-	-	7,819
Street Zero	-	-	2,000
Handcrafted	-	-	1,875
FareShare	-	-	2,500
The Fans Museum Sunderland	-	-	2,500
Mind Association	1,431	1,431	-
NE Homeless	1,271	1,271	-
Dragonfly	1,000	1,000	-
Ukraine Appeal	5,000	5,000	-
Other donations (less than £1,000)	<u>15,415</u>	<u>15,415</u>	<u>11,365</u>
	<u>48,002</u>	<u>48,002</u>	<u>49,790</u>

The Middleton Foundation

Notes to the Financial Statements for the Year Ended 31 March 2022

Provision of support to other charities

	Support costs £	Total 2022 £	Total 2021 £
Wages and salaries	91,822	91,822	101,623
Insurance	1,219	1,219	1,133
Computer software and maintenance	12,923	12,923	7,824
Printing, postage and stationery	-	-	5
Sundry expenses	1,574	1,574	1,649
Travel and subsistence	3,711	3,711	221
Marketing and PR	13,085	13,085	12,539
Accountancy fees	7,920	7,920	6,429
Bank charges	210	210	190
	<u>132,464</u>	<u>132,464</u>	<u>131,613</u>

Governance costs

	Unrestricted General £	Total 2022 £	Total 2021 £
Independent examiner fees			
Examination of the financial statements	3,300	3,300	3,300
Legal fees	<u>2,478</u>	<u>2,478</u>	<u>2,081</u>
	<u>5,778</u>	<u>5,778</u>	<u>5,381</u>

8 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

The Middleton Foundation

Notes to the Financial Statements for the Year Ended 31 March 2022

9 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
Staff costs during the year were:		
Wages and salaries	87,970	92,820
Social security costs	1,954	6,538
Pension costs	1,898	2,265
	<u>91,822</u>	<u>101,623</u>

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

	2022 No	2021 No
Management	1	1
Support	2	3
	<u>3</u>	<u>4</u>

No employee received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the charity were £29,902 (2021 - £43,256).

10 Independent examiner's remuneration

	2022 £	2021 £
Examination of the financial statements	<u>3,300</u>	<u>3,300</u>

11 Taxation

The charity is exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

12 Fixed asset investments

	2022 £	2021 £
Shares in group undertakings and participating interests	<u>1</u>	<u>1</u>

The Middleton Foundation

Notes to the Financial Statements for the Year Ended 31 March 2022

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 April 2021	1	1
At 31 March 2022	1	1
Net book value		
At 31 March 2022	1	1
At 31 March 2021	1	1

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2022	2021

Subsidiary undertakings

Charity Escapes Trading Company Limited	England and Wales	100%	100%	100%
---	----------------------	------	------	------

Subsidiaries

The profit for the financial period of Charity Escapes Trading Company Limited was £35,881 (2021 - £(7,268)) and the aggregate amount of capital and reserves at the end of the period was £(85,611) (2021 - £(121,492)).

13 Debtors

	2022 £	2021 £
Due from group undertakings	86,438	117,339
Prepayments	6,175	1,985
Accrued income	-	1,765
	<u>92,613</u>	<u>121,089</u>

Amounts due from group undertakings are repayable on demand.

The Middleton Foundation

Notes to the Financial Statements for the Year Ended 31 March 2022

14 Cash and cash equivalents

	2022 £	2021 £
Cash at bank	13,519	962

15 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	4,636	2,685
Other taxation and social security	2,196	585
Other creditors	387	313
Accruals	15,534	3,034
	<u>22,753</u>	<u>6,617</u>

16 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £1,898 (2021 - £2,265).

17 Analysis of net funds

	At 1 April 2021 £	Financing cash flows £	At 31 March 2022 £
Cash at bank and in hand	962	12,557	13,519
Net cash	<u>962</u>	<u>12,557</u>	<u>13,519</u>
	At 1 April 2020 £	Financing cash flows £	At 31 March 2021 £
Cash at bank and in hand	86,481	(85,519)	962
Net cash	<u>86,481</u>	<u>(85,519)</u>	<u>962</u>

18 Related party transactions

A balance of £86,438 (2021: £117,339) was owed by the charity's subsidiary Charity Escapes Trading Company Limited at the year end. Advances were made to the charity's subsidiary totalling £Nil. Repayments were received from the charity's subsidiary totalling £30,899. The amount is repayable on demand.

During the year a donations of £85,000 (2021: £59,000) was received from Jeremy Middleton, the founder of The Middleton Foundation.

The Middleton Foundation

Notes to the Financial Statements for the Year Ended 31 March 2022

19 Funds

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
Unrestricted funds				
General	<u>115,435</u>	<u>154,187</u>	<u>(186,242)</u>	<u>83,380</u>
	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Balance at 31 March 2021 £
Unrestricted funds				
General	<u>203,709</u>	<u>98,510</u>	<u>(186,784)</u>	<u>115,435</u>

20 Analysis of net assets between funds

	Unrestricted funds General £	Total funds at 31 March 2022 £
Fixed asset investments	1	1
Current assets	106,132	106,132
Current liabilities	<u>(22,753)</u>	<u>(22,753)</u>
Total net assets	<u>83,380</u>	<u>83,380</u>
	Unrestricted funds General £	Total funds at 31 March 2021 £
Fixed asset investments	1	1
Current assets	122,051	122,051
Current liabilities	<u>(6,617)</u>	<u>(6,617)</u>
Total net assets	<u>115,435</u>	<u>115,435</u>

THE MIDDLETON FOUNDATION

England & Wales - Charity number 1168170

Accounts

Company registration number: 10038349

Charity registration number: 1168170

THE MIDDLETON FOUNDATION

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2021

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The Middleton Foundation

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The Middleton Foundation

Reference and Administrative Details

Trustees	M D Elliot (resigned 7 April 2021) D W Alprorich (resigned 7 April 2021) R W McCordall (resigned 7 April 2021) C S Wainwright (resigned 7 April 2021) P R Woolston (appointed 10 November 2020) J P Middleton (appointed 7 April 2021) C Middleton (appointed 7 April 2021) J C Middleton (appointed 7 April 2021)
Key Management Personnel	C Sells, Head of Partnerships
Principal Office	62 The Close Quayside Lofts Newcastle upon Tyne NE1 3RJ The charity is incorporated in England and Wales.
Company Registration Number	10038349
Charity Registration Number	1168170
Bankers	Handlesbanken Sunderland 17 Pickersgill Court Quay West Riverside Business Village Sunderland SR5 2AQ
Independent Examiner	Simon Brown BA ACA DChA MHA Tait Walker Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

The Middleton Foundation

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 March 2021.

Structure, governance and management

Nature of governing document

The company is constituted a charitable company limited by guarantee, governed by its Memorandum and Articles of Association dated 10 February 2016 and is a registered charity number 1168170.

Recruitment and appointment of trustees

The management of the charitable company is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association.

Induction and training of trustees

Induction is provided to new trustees if required. All Trustees appointed in 2021 have been instrumental in establishing the Charity. As a result no further induction was considered necessary.

Major risks and management of those risks

The trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Objectives and activities

Objects and aims

- To promote any charitable purpose for the benefit of the public generally, both in the UK and overseas.
- To apply the income or all such part or parts of the capital, at such time or times and in such manner as the trustees may in their discretion think fit in making donations and/or grants for the public benefit worldwide for charitable purposes and/or to existing charities whose charitable objects are principally:
 - The relief of those in need by reason of youth, ill health, disability, financial hardship, or other disadvantage
 - The prevention or relief of poverty
 - The advancement of education, the arts, culture or heritage

The Middleton Foundation

Trustees' Report

Objectives, strategies and activities

The trading subsidiary of the Foundation continues to make advancements inline with its objectives, and is facilitating significant funds being raised for a wide variety of charitable causes in the UK. The investment made in this subsidiary by the Foundation continued to be repaid in the year, providing continued confidence to the trustees.

Our founder continued to make significant donations during the year which enabled the Foundation to fund and operate its own activities and provide grants to other charities. We understand that the founder remains supportive and the combination of anticipated future donations and income from the trading subsidiary indicate that the Foundation will be in a position to make more grants in the coming year as well as seeing additional sums being raised for charities via the activities of the trading subsidiary.

Fundraising disclosures

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised direct from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors. The charity's brand awareness is facilitated through public relation consultant, social media feeds and positive word of mouth advertising.

Public benefit

The trustees consider that through enabling other charities to raise greater funds for their charitable purposes and by the provision of grants, the Middleton Foundation is delivering public benefit.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

The Middleton Foundation seeks to raise money through benefactors and its trading subsidiary and hopes to support many charities in the future through the development of their fundraising models. Funds generated by the trading subsidiary through the fees charged to other charities to increase their fundraising outreach and capabilities, is used by the Middleton Foundation to cover running costs and to increase grants awarded directly by The Middleton Foundation to a wide variety of UK charities.

Covid-19 continues to provide a challenging environment for the fundraising capabilities of the third sector and the donation opportunities for the hospitality industry. The Foundation and its trading subsidiary continue to build relationships with new benefactors, partners and donors to ensure sustained activities for the future.

The Middleton Foundation

Trustees' Report

Key non-financial performance indicators

The Foundation, including the activities of the trading subsidiary, has achieved the following over the previous 12 months:

Number of donors - 49

Total number of prizes donated - 563

Number of charities supported by the placing of prizes into their events - 140

Total funds raised for charities through prize events - £141,648.80

In addition, the trustees were pleased to be able to award grants totalling £50k to various charities.

The coming year continues to provide uncertainty due to the impact of Covid-19. The Foundation and its trading subsidiary, have and will, continue to do what they can to support a wide variety of charities as they continue to navigate fundraising capabilities through this challenging time.

Financial review

The charity received income of £99k and incurred costs of £187k in the support of other charities as described above. At the year-end the Foundation has unrestricted reserves of £115k, of which around £117k is tied up in intercompany loans with the trading subsidiary as set out above. It is envisaged that as the debt is repaid further direct grants to other charities selected by the trustees will be made.

The trustees are satisfied with the year-end position of the Foundation.

Policy on reserves

In line with Charity Commission guidelines the trustees monitor the level of reserves held to ensure they are being used to help the objectives of the charity.

The calculation of free reserves is based on the definition included in the charity statement of recommended practice (SORP), which provides recommendations for accounting and reporting for charities. The trustees have examined the requirements of the charity to hold free reserves - those reserves not invested in tangible fixed assets, excluding intercompany loans, long term liabilities, or designated for a particular purpose. The Trustees considered it would be appropriate to hold the equivalent of 3 months expenditure, which would equate to holding approximately £35,000 - £45,000 in free reserves.

At the year end, free reserves were (£1,905) (2020: £78,670), a decrease of £80,575 in the year.

Plans for future periods

Going concern

The charity's forecasts and projections for the next twelve months show that the charity should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance and the potential impact on the charity of possible future scenarios arising from the impact of COVID-19. The Foundation has recorded strong performance since 31 March 2021 following the easing of lockdown restrictions in the UK. The charity has strong positive cash balances and is forecasting for this to continue to be the case.

The Middleton Foundation

Trustees' Report

Statement of Trustees' Responsibilities

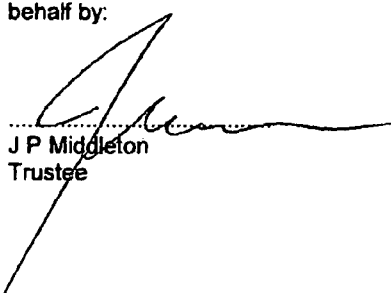
The trustees (who are also the directors of The Middleton Foundation for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The annual report was approved by the trustees of the charity on 17/12/2021. and signed on its behalf by:



.....
J P Middleton
Trustee

The Middleton Foundation

Independent Examiner's Report to the trustees of The Middleton Foundation

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 March 2021 which are set out on pages 7 to 20.

Respective responsibilities of trustees and examiner

As the charity's trustees of The Middleton Foundation (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of The Middleton Foundation are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of The Middleton Foundation as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Simon Brown BA ACA DChA
MHA Tait Walker
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 17/12/2021

MHA Tait Walker is a trading name of Tait Walker LLP.

The Middleton Foundation

Statement of Financial Activities for the Year Ended 31 March 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Total 2021 £	Total 2020 £
Income and Endowments from:				
Donations and legacies	3	91,286	91,286	249,200
Other income	4	<u>7,224</u>	<u>7,224</u>	-
Total Income		<u>98,510</u>	<u>98,510</u>	<u>249,200</u>
Expenditure on:				
Raising funds	5	-	-	800
Charitable activities	6	<u>(186,784)</u>	<u>(186,784)</u>	<u>(164,382)</u>
Total Expenditure		<u>(186,784)</u>	<u>(186,784)</u>	<u>(163,582)</u>
Net (expenditure)/income		<u>(88,274)</u>	<u>(88,274)</u>	<u>85,618</u>
Net movement in funds		(88,274)	(88,274)	85,618
Reconciliation of funds				
Total funds brought forward		<u>203,709</u>	<u>203,709</u>	<u>118,091</u>
Total funds carried forward	17	<u>115,435</u>	<u>115,435</u>	<u>203,709</u>

All of the charity's activities derive from continuing operations during the above two periods.

The Middleton Foundation

Comparative Statement of Financial Activities for the Year Ended 31 March 2020 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Total 2020 £
Income and Endowments from:			
Donations and legacies	3	249,200	249,200
Total income		249,200	249,200
Expenditure on:			
Raising funds	5	800	800
Charitable activities	6	(164,382)	(164,382)
Total expenditure		(163,582)	(163,582)
Net income		85,618	85,618
Net movement in funds		85,618	85,618
Reconciliation of funds			
Total funds brought forward		118,091	118,091
Total funds carried forward	17	203,709	203,709

The Middleton Foundation

(Registration number: 10038349)
Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	12	1	1
Current assets			
Debtors	13	121,089	126,663
Cash at bank and in hand	14	962	86,481
		<u>122,051</u>	<u>213,144</u>
Creditors: Amounts falling due within one year	15	<u>(6,617)</u>	<u>(9,436)</u>
Net current assets		<u>115,434</u>	<u>203,708</u>
Net assets		<u>115,435</u>	<u>203,709</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>115,435</u>	<u>203,709</u>
Total funds	17	<u>115,435</u>	<u>203,709</u>

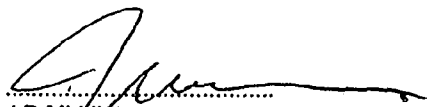
For the financial year ending 31 March 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 7 to 20 were approved by the trustees, and authorised for issue on 17.12.2021 and signed on their behalf by:


J P Middleton
Trustee

The Middleton Foundation

Notes to the Financial Statements for the Year Ended 31 March 2021

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £Nil towards the assets of the charity in the event of liquidation.

The address of its registered office is: 62 The Close, Quayside Lofts, Newcastle upon Tyne, NE1 3RJ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

The Middleton 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 notes.

Going concern

The charity's forecasts and projections for the next twelve months show that the charity should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance and the potential impact on the charity of possible future scenarios arising from the impact of COVID-19. This also considers the effectiveness of available measures to assist in mitigating the impact. The charity has strong positive cash balances and is forecasting for this to continue to be the case. The trustees have stress tested their forecasts, taking into account various scenarios, and remain confident that the uncertainties do not cast significant doubt on the company's ability to continue as a going concern.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Exemption from preparing group accounts

The charity has taken advantage of the exemption in section 398 of the Companies Act 2006 from the requirement to prepare consolidated financial statements, on the grounds that it is a small sized group.

The Middleton Foundation

Notes to the Financial Statements for the Year Ended 31 March 2021

Estimation uncertainty and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these financial statements the directors do not consider there were any significant areas of judgement that were required in applying the company's accounting policies as set out above.

Included in debtors is an amount due from the Charity's wholly-owned subsidiary company totalling £117,339 (2020: £125,038). The subsidiary, as at the year end, had a net deficit balance sheet of £121,492 (2020: £128,760). Therefore the recovery of the debtor (whilst repayable on demand) will take a number of years to recover and will depend on the future profitability of the trading company. No provision has been made against the debt which is expected to be recovered in full.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Government grants

Grants are recognised in income over the period in which the costs are recognised where there are performance conditions attached to the grant, otherwise the income is recognised in full.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

The Middleton Foundation

Notes to the Financial Statements for the Year Ended 31 March 2021

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £1,000 or more are initially recorded at cost.

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

The investment within the trading subsidiary entity is recorded and held at cost.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

The Middleton Foundation

Notes to the Financial Statements for the Year Ended 31 March 2021

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

3 Income from donations and legacies

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Donations and legacies;			
Donations	91,286	91,286	249,200
	<u>91,286</u>	<u>91,286</u>	<u>249,200</u>

4 Other income

	Unrestricted funds General £	Total 2021 £	Total 2020 £
CJRS grant	7,224	7,224	-
	<u>7,224</u>	<u>7,224</u>	<u>-</u>

5 Expenditure on raising funds

a) (gains) / losses on sale of shares

	Total 2021 £	Total 2020 £
Gain on sale of shares	-	(800)
	<u>-</u>	<u>(800)</u>

The Middleton Foundation

Notes to the Financial Statements for the Year Ended 31 March 2021

6 Expenditure on charitable activities

	Unrestricted		
	General	Total	Total
	£	2021	2020
		£	£
Grant funding of activities	49,790	49,790	12,417
Provision of support to other charities	131,613	131,613	141,996
Governance costs	5,381	5,381	9,969
	<u>186,784</u>	<u>186,784</u>	<u>164,382</u>

7 Analysis of governance and support costs

Raising funds expenditure

Grant funding of activities analysis

	Unrestricted		
	General	Total	Total
	£	2021	2020
		£	£
US Active CM	-	-	2,000
Catcay Medial	-	-	5,000
Princes Trust	-	-	3,000
If You Care Share	2,018	2,018	-
Percy Hedley Foundation	1,128	1,128	-
Maggies Newcastle	7,099	7,099	-
Red Sky Foundation	3,886	3,886	-
Open North Foundation	3,739	3,739	-
Theatre Royal Newcastle	3,861	3,861	-
Black Country Womens Aid	7,819	7,819	-
Street Zero	2,000	2,000	-
Handcrafted	1,875	1,875	-
FareShare	2,500	2,500	-
The Fans Museum Sunderland	2,500	2,500	-
Other donations (less than £1,000)	11,365	11,365	2,417
	<u>49,790</u>	<u>49,790</u>	<u>12,417</u>

The Middleton Foundation

Notes to the Financial Statements for the Year Ended 31 March 2021

Provision of support to other charities

	Support costs £	Total 2021 £	Total 2020 £
Wages and salaries	101,623	101,623	72,483
Insurance	1,133	1,133	227
Telephone	-	-	266
Computer software and maintenance	7,824	7,824	18,413
Printing, postage and stationery	5	5	307
Sundry expenses	1,649	1,649	9,447
Travel and subsistence	221	221	10,046
Marketing and PR	12,539	12,539	20,096
Accountancy fees	6,429	6,429	7,970
Consultancy fees	-	-	2,400
Bank charges	190	190	341
	<u>131,613</u>	<u>131,613</u>	<u>141,996</u>

Governance costs

	Unrestricted General £	Total 2021 £	Total 2020 £
Independent examiner fees			
Examination of the financial statements	2,750	2,750	2,750
Legal fees	<u>2,631</u>	<u>2,631</u>	<u>7,219</u>
	<u>5,381</u>	<u>5,381</u>	<u>9,969</u>

8 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

The Middleton Foundation

Notes to the Financial Statements for the Year Ended 31 March 2021

9 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	92,820	67,288
Social security costs	6,538	3,607
Pension costs	<u>2,265</u>	<u>1,588</u>
	<u>101,623</u>	<u>72,483</u>

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

	2021 No	2020 No
Management	1	1
Support	<u>3</u>	<u>1</u>
	<u>4</u>	<u>2</u>

No employee received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the charity were £43,256 (2020 - £39,512).

10 Independent examiner's remuneration

	2021 £	2020 £
Examination of the financial statements	<u>2,750</u>	<u>2,750</u>

11 Taxation

The charity is exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The Middleton Foundation

Notes to the Financial Statements for the Year Ended 31 March 2021

12 Fixed asset investments

	2021 £	2020 £
Shares in group undertakings and participating interests	<u>1</u>	<u>1</u>

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 April 2020	<u>1</u>	<u>1</u>
At 31 March 2021	<u>1</u>	<u>1</u>
Net book value		
At 31 March 2021	<u>1</u>	<u>1</u>
At 31 March 2020	<u>1</u>	<u>1</u>

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2021	2020
Subsidiary undertakings				
Charity Escapes Trading Company Limited	England and Wales	100%	100%	100%

The Middleton Foundation

Notes to the Financial Statements for the Year Ended 31 March 2021

Subsidiaries

The profit for the financial period of Charity Escapes Trading Company Limited was £7,268 (2020 - £26,271) and the aggregate amount of capital and reserves at the end of the period was £(121,492) (2020 - £(128,760)).

13 Debtors

	2021	2020
	£	£
Due from group undertakings	117,339	125,038
Prepayments	1,985	1,625
Accrued income	1,765	-
	<u>121,089</u>	<u>126,663</u>

Amounts due from group undertakings are repayable on demand.

14 Cash and cash equivalents

	2021	2020
	£	£
Cash at bank	<u>962</u>	<u>86,481</u>

15 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	2,685	3,641
Other taxation and social security	585	2,598
Other creditors	313	447
Accruals	<u>3,034</u>	<u>2,750</u>
	<u>6,617</u>	<u>9,436</u>

16 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £2,265 (2020 - £1,588).

The Middleton Foundation

Notes to the Financial Statements for the Year Ended 31 March 2021

17 Funds

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Balance at 31 March 2021 £
Unrestricted funds				
General	<u>203,709</u>	<u>98,510</u>	<u>(186,784)</u>	<u>115,435</u>
	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Balance at 31 March 2020 £
Unrestricted				
General	<u>118,091</u>	<u>249,200</u>	<u>(163,582)</u>	<u>203,709</u>

18 Analysis of net assets between funds

	Unrestricted funds General £	Total funds at 31 March 2021 £
Fixed asset investments	1	1
Current assets	122,051	122,051
Current liabilities	<u>(6,617)</u>	<u>(6,617)</u>
Total net assets	<u>115,435</u>	<u>115,435</u>
	Unrestricted funds General £	Total funds at 31 March 2020 £
Fixed asset investments	1	1
Current assets	213,144	213,144
Current liabilities	<u>(9,436)</u>	<u>(9,436)</u>
Total net assets	<u>203,709</u>	<u>203,709</u>

The Middleton Foundation

Notes to the Financial Statements for the Year Ended 31 March 2021

19 Analysis of net funds

	At 1 April 2020 £	Financing cash flows £	At 31 March 2021 £
Cash at bank and in hand	86,481	(85,519)	962
Net debt	86,481	(85,519)	962
	At 1 April 2019 £	Financing cash flows £	At 31 March 2020 £
Cash at bank and in hand	19,543	66,938	86,481
Net debt	19,543	66,938	86,481

20 Related party transactions

A balance of £117,339 (2020: £125,038) was owed by the charity's subsidiary Charity Escapes Trading Company Limited at the year end. Advances were made to the charity's subsidiary totalling £2,755. Repayments were received from the charity's subsidiary totalling £10,454. The amount is repayable on demand.

During the year a donation of £59,000 (2020: £249,200) was received from Jeremy Middleton, the founder of The Middleton Foundation.