

Community Foundation

serving Tyne & Wear and Northumberland

(A company limited by guarantee)

Annual financial statements for the year ended 31 March 2014

Registered company number 2273708

Registered charity number 700510

Community Foundation
serving Tyne & Wear and Northumberland
(A company limited by guarantee)

Annual financial statements
for the year ended 31 March 2014

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Community Foundation

serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2014

Introduction

The Board present their report and the audited consolidated financial statements for the year ended 31 March 2014.

The Charity's full name is Community Foundation serving Tyne & Wear and Northumberland, referred to hereafter as the Community Foundation.

The Community Foundation's registration number is 700510 and the limited company number is 2273708. The principal office and registered office is 9th Floor, Cale Cross, 156 Pilgrim Street, Newcastle upon Tyne, Tyne & Wear NE1 6SU.

The Community Foundation comprises four separate organisations whose financial statements and activities are consolidated within the group. They are as follows:

- Community Foundation serving Tyne & Wear and Northumberland – a limited company and main operating charity, also incorporating Community First Trust.
- Tyne and Wear Foundation Trust – a charitable trust, which holds donations of permanent endowment to the Community Foundation. This has enabled several historic charitable trusts to be transferred to the Group.
- Tyne & Wear Foundation Limited – a trading company whose profits are covenanted to the Community Foundation. The trading company is mainly used for specific large fundraising events but was inactive during the year.
- Joseph Brough Charitable Trust – an endowed trust making grants in the historic counties of Durham and Northumberland, of which the Community Foundation is sole trustee.

Tiny Lives, formerly a project within the Community Foundation, transferred to a standalone charity during the year, Tiny Lives Trust registered number 1150178, and since this point Community Foundation has not had any further involvement in management.

The Community Foundation also administers The Fred Clay Trust, which has its own trustees and reports separately to the Charity Commission and its financial information is not included within these financial statements.

The Community Foundation is a member and active supporter of UK Community Foundations, registered charity number 1004630, which supports and promotes good practice between community foundations in the United Kingdom. The Chief Executive is an elected member of the UK Community Foundations board of trustees. The Community Foundation manages some funding programmes on contracts from UK Community Foundations but is not otherwise subject to any governance arrangements with UK Community Foundations.

Community Foundation
serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2014 (continued)

Advisers

Chartered Accountants and Statutory Auditors

PricewaterhouseCoopers LLP
5th and 6th Floors
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3AZ

Main Bankers

Barclays Bank PLC
Newcastle Corporate Services
Barclays House
5 St. Ann's Street
Quayside
Newcastle upon Tyne
NE1 3DX

Investment Managers

Investec Asset Management
Woolgate Exchange
25 Basinghall Street
London
EC2V 5HA

UBS Wealth Management
2 St James' Gate
Newcastle upon Tyne
NE4 7JH

Brewin Dolphin
Time Central
Gallowgate
Newcastle upon Tyne
NE1 4SR

CCLA Investment Management Limited
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Solicitors

Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

Wardhadaway
Sandgate House
102 Quayside
Newcastle upon Tyne
NE1 3DX

Community Foundation

servicing Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2014 (continued)

Structure, governance and management

The Community Foundation is a limited company governed by Memorandum and Articles of Association drawn up in 1988 and amended in 1990, 2000 and 2007. The Articles and Memorandum allow for four categories of members as follows:

Category A – voluntary organisations

Category B – individuals

Category C – statutory authorities

Category D – companies/businesses

Members have voting rights at the Annual General Meeting and receive regular information about Community Foundation activities throughout the year. Members may nominate candidates for election to the Board. Each membership category elects three members to the Board except for Category C, where Board members are appointed by mutual consent. The Board may co-opt up to nine further members, and is required to ensure adequate representation throughout the area of benefit.

Board members serve for a three-year term and may be elected for two further periods of three years each. However, Board members do not normally stand for a third term in order to ensure adequate rotation of membership, unless they have been elected as honorary officers or chair sub-committees of the Board.

There are arrangements for induction, training and support of Board members, which are reviewed by the Honorary Officers Committee. Each new Board Member is given a standard induction pack and attends an induction session with the senior staff and meets the Chair. The Honorary Officers Committee reviews training needs of the Board members and arranges training as required. The involvement of Board members is reviewed by the Honorary Officers after one and three years to ensure that the skills and time provided by members of the Board are used to best effect. Additionally, Board skills are kept under review to inform Board member recruitment, engagement and support. Board members also volunteer their services to assist in Community Foundation activities, such as grant panels, evaluation visits, donor development and public speaking engagements during the year.

The full Board meets four times a year. One of these meetings is normally a longer meeting for reflection and forward planning. Within the annual cycle, the Board:

- agrees an operating budget;
- receives quarterly management accounts;
- agrees annual objectives;
- reviews three-year objectives;
- monitors performance within agreed targets;
- considers risks and ways to mitigate them;
- considers strategic issues; and
- receives reports and minutes from all sub-committees listed below.

Community Foundation
serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2014 (continued)

Structure, governance and management (continued)

The Board appoints sub-committees, which are responsible for more detailed oversight of strategy and activities within their area of responsibility. A review of sub-committees was carried out during the year and the Board decided to disband Development Committee and adopt Ambassador Groups to promote development. The sub-committees meeting during the year were:

- Audit & Risk Committee (Audit)
- Development Committee (Dev) – now disbanded
- Honorary Officers (Hon)
- Investment & Finance Committee (Inv)
- Philanthropy Committee (Phil)

Members of the Board who served during the year and up to date of signing of the financial statements, including committees on which they served are as follows:

Ashley Winter OBE – Chair elected October 2008	(Hon, Dev)
Jamie Martin OBE – Deputy Chair to October 2013 co-opted October 2006, elected November 2010, retired October 2013	(Hon, Dev)
Chris Drinkwater CBE – Deputy Chair co-opted October 2006	(Hon, Phil)
Geoff Hodgson – Deputy Chair from October 2013 co-opted June 2013, elected October 2013	(Hon, Dev)
Colin Seccombe - Treasurer elected October 2007, co-opted December 2012	(Inv, Hon)
John Clough MBE co-opted November 2009, elected November 2010	(Inv)
Alastair Conn elected November 2009	(Inv)
Fiona Cruickshank OBE elected November 2011	(Dev, Phil)
Jo Curry co-opted October 2008, elected November 2010	(Phil)
Nick Hall appointed October 2013 to represent statutory authorities	(Audit)
Charles Harvey co-opted October 2008	(Phil, Audit)
Dean T. Huggins elected October 2008	(Phil, Audit)
Gev Pringle co-opted November 2009, elected October 2012	(Phil, Audit)
Kate Roe appointed November 2010 to represent statutory authorities	(Inv)
Jane Robinson appointed March 2012 to represent statutory authorities	(Dev, Phil)
Rachel Turnbull co-opted December 2013	(Inv)
Susan Winfield OBE appointed October 2006, co-opted December 2013	(Audit)

Community Foundation
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Annual report for the year ended 31 March 2014 (continued)

Structure, governance and management (continued)

The following member of the Board served during the year but retired before the year end: Jamie Martin. Members who will retire at the 2014 Annual General Meeting and are eligible for re-election are Ashley Winter and Fiona Cruickshank. Gev Pringle has indicated that he intends to retire at the 2014 Annual General Meeting.

The Board also appoints a President, Vice Presidents and Patrons in recognition of their distinguished service to the community or contributions to the Community Foundation. These are honorary positions with no formal powers or duties. The Board reviewed appointments in September 2010. The current office holders are listed in the yearbook and on the Community Foundation's website.

At the year end the senior members of staff responsible for day-to-day management of the Charity as delegated by the Board were:

Rob Williamson	Chief Executive
Lisa Cappleman	Head of Philanthropy Development
Adam Lopardo	Head of Partnerships
Derry Nugent	Head of Philanthropy Services
Mark Pierce	Head of Policy & Programmes
Sonia Waugh	Finance & Operations Director/Deputy Chief Executive

At the year-end there was a total of 20 staff (FTE 16.1).

Community Foundation serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2014 (continued)

Objectives and activities

The Community Foundation was formally established for the support or promotion of any charitable purposes, for the relief of poverty, the advancement of education (including training for employment or work), the advancement of religion or any other charitable purpose for the benefit of the community in particular, but not exclusively, in the area of Tyne & Wear and Northumberland.

The Community Foundation's operational purpose is to be the hub for community philanthropy in its area – inspiring and supporting giving that strengthens communities and enriches local life. To do this, the Community Foundation:

- enables effective giving by people and business;
- supports organisations and individuals with money, time and expertise; and
- informs and influences issues affecting its communities.

The Community Foundation adopted its latest strategy and business plan in 2013 based on the following theory of change:

If we grow our endowment and increase our revenue, make best use of our funding knowledge and voice, and enrich the giving experience for donors, whilst carefully stewarding all our resources, then we will better serve our area's communities now and for generations to come.

The strategy is set out under three aims: growth, impact and sustainability.

The Community Foundation is a generalist grant-maker to a wide range of community groups. Some of the funds have more restricted purposes – for example the CNL Young People's Fund only makes grants that help disadvantaged young people in Northumberland to overcome barriers to successful transition into adulthood. The Community Foundation accommodates donors' wishes in respect of grant awards wherever possible. The Board has agreed certain exclusions for grants with its general funds and these are detailed in grant application materials available on request. The predominant activity is grant-making but the Community Foundation also devotes resources to leadership work, development and donor education which aim to increase local philanthropy.

The Community Foundation exists and operates for the public benefit. Through its grant-making it works to improve the community, in particular, but not exclusively, in Tyne & Wear and Northumberland. The Trustees confirm that they have referred to the guidance produced by the Charity Commission on public benefit when reviewing the Charity's aims and objectives and in planning future activities and grant-making and are satisfied that it meets the requirements.

Strategic report

Achievements and performance

2013-14 was the first year of the Community Foundation's 2013-16 strategy. Achievements and performance against the annual business plan as reviewed by the Board in June 2014 are set out below. More detailed descriptions of activities and their impact are included in the Community Foundation's yearbook.

Community Foundation
serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2014 (continued)

Strategic report (continued)

Achievements and performance (continued)

***Growth:** To have an endowment of £60m by the end of 2016 and to continue bringing in revenue and programme funds. This is so we can better serve our area's communities now and for generations to come with a growing, independent community asset and increased fund distribution.*

- 27 major prospective donors were engaged, 18 new funds established and 8 legacy notifications received.
- Endowment gifts totalled £3.2m, of which £2.5m was from new donors.
- Revenue and programme fund gifts totalled £3.2m, of which £0.7m was from new donors.
- Targets were exceeded for drawing down match from the Community First and Catalyst schemes.

***Impact:** To make the best use of all the tools we have – our funding, our knowledge and our voice – and to enrich the giving experience for our donors. This is so we can maximise the benefits of community philanthropy in our area.*

- During the year 1,369 grants (2013: 1,656) totalling £5.2m (2013: £5.4m) were awarded. The majority continued to be for amounts of under £5,000 and to provide practical support for small voluntary and community groups. The grants total includes a number of programmes run in partnership with statutory bodies and for The Henry Smith Charity as shown in the table below:

Programme	No of grants	Total awards
Community Foundation main funds	1,317	3,919,514
Do a lotto good – Big Lottery Fund Sunderland Echo Campaign	14	260,793
ESF Community Grants	1	6,000
The Henry Smith Charity	37	1,001,600
Total grants awarded by the full Group	1,369	£5,187,907

- Targets were met for allocating funds across the area of benefit and across the themes of supporting people to overcome disadvantage, creating stronger communities and making the area a good place to live.
- The *Vital Signs* reports for Tyne & Wear and Northumberland were published and successfully engaged target audiences of donors, grantees and the general public through social media, print and website.

***Sustainability:** to maintain the real value of our endowment, cover our costs, invest strategically in our people and operations and maintain strong principles and high standards. This is so we can meet our growth and impact goals, whilst remaining effective and efficient.*

- The Group endowment value at the year-end reached £57.9m against a year target of £54.9m
- The average total return on the main fund was 9.8% against a target of 6%.
- 70% of core costs were covered by fund contributions against a target of 66%.
- The Community Foundation achieved re-accreditation under the national quality standards endorsed by the Charity Commission.

Community Foundation

servicing Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2014 (continued)

Strategic report (continued)

Financial review

Net assets at 31 March 2014 were £60.9m (2013: £55.8m). £57.9m of the assets related to endowment funds (2013: £52.8m). The total unrealised and realised gains on investments amounted to £3.6m (2013: £5.6m). There were new donations to the endowment funds during the year of £3.2m (2013: £2.1m), and fees and transfers out of endowment of £1.6m (2013: £1.6m). The expendable endowment fund is treated by the Trustees as a long-term capital fund to provide income for future grant-making. Further details of performance of subsidiary undertakings are detailed in note 19. The investments are managed by Investec Asset Management, UBS Wealth Management and Brewin Dolphin, to achieve maximum total returns and provide an agreed amount annually for grant-making. CCLA Investment Management Limited manages the funds donated to the Community First Trust as required by the match funding agreement. There is separate provision for donors who wish to invest ethically. The Investment & Finance Committee monitors the managers' performance in relation to the WM Charity Benchmark and other relevant indices at its quarterly meetings and meets with each of the managers at least annually, more regularly with Investec and UBS. Clear guidelines have been agreed in relation to asset allocation and these are also reviewed by the Investment & Finance Committee quarterly. The WM benchmark for the year delivered a total return of 7.2%. The Board was satisfied with performance on the funds, the average return on the main fund being 9.8% although one manager outperformed the WM Benchmark and one was behind. The Committee were content with performance on the other smaller funds.

Incoming resources for the year totalled £7.9m (2013: £6.9m). Grants from public bodies decreased by £0.2m, partly due to Fairshare and ESF Community Grants programmes coming to an end, but partly offset by an increase in Community First match drawn down. The main sources of income were new donations, grants from public bodies and investment income. The main resources expended were for charitable grants of £5.1m net (2013: £5.3m net). Fundraising events within the charity include events held to raise funds for Tiny Lives (up to point of transfer to new charity) and the Women's Fund.

Financial review - reserves

The Statement of Financial Activities shows the movement in the year of the Community Foundation's (Group) Unrestricted and Restricted Funds. The year-end balances on the Restricted Funds are available in their entirety for future grant-making and other direct charitable expenditure. The Unrestricted Funds balance at 31 March 2014 of £1,280,111 includes £708,833 set aside for designated funds which are solely for future grant-making, and the balance of £571,278 as a general reserve available to meet future administration and development expenditure. The Board reviewed its reserve level and policy in February 2014 and designated £100,000 of the general reserves to cover potential premises move costs in 2015, £30,000 to support a senior partnership role and, in June 2014, designated another £13,000 for potential grant claw back. The Board sets a maximum level of reserves to allow the Community Foundation to operate for up to 12 months if income streams were significantly impacted by market conditions and a minimum level based on the same scenario but adjusting some costs during the 12 months and reviews its policy annually. At the year end, the reserve level was the middle of this range.

Annual report for the year ended 31 March 2014 (continued)

Strategic report (continued)

Plans for future periods

In June 2013 the Board approved a strategy for 2013-16 under the connected aims of growth, impact and sustainability. The intended results the Board wants to achieve over the next three years are as follows.

1. Bring more high value people and businesses in our pipeline of potential donors.
2. Engage more new donors in giving through us.
3. Maintain and increase giving by existing donors and partners.
4. Encourage more planned giving.
5. Get our grants, advice and support to where they are needed.
6. Develop the effectiveness of and reward from donors' philanthropy.
7. Gather, use and share more meaningful information.
8. Provide leadership on the vital issues in our communities.
9. Steward and develop our resources.
10. Demonstrate excellent standards and accountability.
11. Effectively develop our people and govern our organisation.
12. Live our principles.

Whilst the Community Foundation is not immune from global financial challenges and may need to change plans accordingly, the Board hopes to invest around £5m a year in grant-making, with distribution from our endowment and revenue funds, and through partnership programmes. It also hopes to refine and expand the in-kind support offered through the Community Ventures scheme, and to be a more effective voice on key issues through *Vital Signs*. Some work will be done by investing a modest amount of unrestricted resources in leadership and policy work and in providing the necessary leverage so the Foundation can keep bringing in resources from a range of partners and supporters to benefit the area. The Board will also invest money from its reserves when needed for working capital and organisational development or capacity.

Principal risks and uncertainties

The Board receives an annual assessment of risk prepared by the senior staff and agrees steps to manage risk. In December 2013 the Board reviewed its risk policy for determining, managing and reviewing the risks to which the Community Foundation is exposed. The Board will continue to review the risk policy every three years. The risk register is reviewed quarterly and any significant changes reported to the Board. Twice yearly the Audit & Risk Committee scrutinise the risk register. Every year, the Board will receive a report on risk and approve an updated risk register. The main risks identified in the most recent register dated March 2014 were:

- Stock market crash
- Unable to achieve 6% total return
- Failure to maintain breakeven position
- Increase in unmet social needs
- Loss of donor confidence
- Loss of/inability to deliver 3rd party/internal programme

Community Foundation
serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2014 (continued)

Statement of trustees' responsibilities

The Trustees (who are also directors of Community Foundation serving Tyne & Wear and Northumberland for the purposes of company law) are responsible for preparing the Trustees' Annual Report, the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

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

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed to members at the Annual General Meeting.

By Order of the Board


Ashley Winter OBE
Chair

23 September 2014

Community Foundation serving Tyne & Wear and Northumberland

Independent Auditors' Report to the Members and Trustees of Community Foundation serving Tyne & Wear and Northumberland Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2014 and of the group's incoming resources and application of resources, including its income and expenditure and the group's cash flows 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The group financial statements and parent charitable company financial statements (the "financial statements"), which are prepared by Community Foundation serving Tyne & Wear and Northumberland, comprise:

- the group and parent charitable company balance sheet as at 31 March 2014;
- the group statements of financial activities and the group summary income and expenditure account for the year then ended;
- the group cash flow statements for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the trustees; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Community Foundation
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**Independent Auditors' Report to the Members and Trustees of
Community Foundation serving Tyne & Wear and Northumberland
(continued)**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Trustees' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of trustees' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the trustees

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the charity's members and trustees as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Nicola Wright

Nicola Wright (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne

25 September 2014

Community Foundation
serving Tyne & Wear and Northumberland

Consolidated statement of financial activities
for the year ended 31 March 2014

	Note	Unrestricted funds	Restricted funds	Endowment funds	Total 2014	Total 2013
		£	£	£	£	£
Incoming resources						
Incoming resources from generated funds:						
Voluntary income:						
Donations		533,058	2,709,965	2,263,994	5,507,017	4,158,408
Grants from public bodies		16,717	66,159	942,305	1,025,181	1,238,663
Activities for generating funds:						
Fundraising events		-	13,001	5,715	18,716	65,570
Investment income	1	500,467	827,771	-	1,328,238	1,455,426
Other incoming resources		25,400	-	-	25,400	19,336
Total incoming resources		1,075,642	3,616,896	3,212,014	7,904,552	6,937,403
Resources expended						
Costs of generating funds:						
Costs of generating voluntary income	3	191,978	34,174	-	226,152	300,782
Costs of fundraising events	4	3,911	8,782	-	12,693	44,882
Investment management costs		-	-	215,807	215,807	182,424
Charitable activities	5	1,345,487	4,584,940	-	5,930,427	5,953,374
Governance costs	6	93,473	2,586	-	96,059	96,707
Other resources expended		25,400	-	-	25,400	19,336
Total resources expended		1,660,249	4,630,482	215,807	6,506,538	6,597,505
Net (outgoing)/incoming resources before transfers		(584,607)	(1,013,586)	2,996,207	1,398,014	339,898
Transfers	13-15	611,039	977,168	(1,588,207)	-	-
Net incoming/(outgoing) resources before taxation		26,432	(36,418)	1,408,000	1,398,014	339,898

Community Foundation
serving Tyne & Wear and Northumberland

**Consolidated statement of financial activities
for the year ended 31 March 2014 (continued)**

	Note	Unrestricted funds	Restricted funds	Endowment funds	Total 2014	Total 2013
		£	£	£	£	£
Net incoming/(outgoing) resources before taxation		26,432	(36,418)	1,408,000	1,398,014	339,898
Taxation	12	-	-	-	-	-
Net incoming/(outgoing) resources before other recognised gains/losses		26,432	(36,418)	1,408,000	1,398,014	339,898
Other recognised gains/losses:						
Gains on investment assets	8	-	-	3,638,900	3,638,900	5,564,154
Net movement in funds		26,432	(36,418)	5,046,900	5,036,914	5,904,052
Fund balances brought forward at 1 April 2013		1,253,679	1,782,839	52,810,423	55,846,941	49,942,889
Fund balances carried forward at 31 March 2014		1,280,111	1,746,421	57,857,323	60,883,855	55,846,941

All of the above results are derived from continuing operations. All gains and losses which were incurred in the current year and prior year are included above. There is no difference between the net incoming/(outgoing) resources before other recognised gains/losses above and their historical cost equivalent.

Community Foundation
serving Tyne & Wear and Northumberland

**Consolidated income and expenditure account
for the year ended 31 March 2014**

	Note	2014	2013
		£	£
Income - continuing operations			
Donations		3,243,023	2,642,529
Grants from public bodies		82,876	663,489
Fundraising events		13,001	65,570
Investment income		1,328,238	1,455,426
Other income		25,400	19,336
		4,692,538	4,846,350
Expenditure - continuing operations			
Grants	5	5,130,231	5,339,393
Staff costs	7	619,561	640,247
Other costs		540,939	435,441
		6,290,731	6,415,081
Net deficit for the year before transfers, investment asset disposals and taxation		(1,598,193)	(1,568,731)
Transfer from endowment fund		1,588,207	1,587,937
Taxation	12	-	-
Net (deficit)/surplus for the year		(9,986)	19,206

The total income of £4,692,538 comprises £1,075,642 for unrestricted funds and £3,616,896 for restricted funds as shown in the statement of financial activities. The total expenditure of £6,290,731 comprises £1,660,249 for unrestricted funds and £4,630,482 for restricted funds as shown in the statement of financial activities.

Community Foundation
serving Tyne & Wear and Northumberland

Balance sheets as at 31 March 2014

Registered company number 2273708

	Note	Group 2014 £	Group 2013 £	Charity 2014 £	Charity 2013 £
Fixed assets					
Endowment fund investments	8	57,658,320	52,669,343	55,380,237	50,526,793
Investments	8	-	-	100	100
Tangible assets	9	16,060	20,686	16,060	20,686
Total fixed assets		57,674,380	52,690,029	55,396,397	50,547,579
Current assets					
Debtors	10	113,779	98,775	114,735	93,479
Cash on short term deposit		2,029,829	3,345,720	2,029,829	3,345,720
Cash at bank and in hand		2,478,870	1,113,401	2,411,867	1,070,588
Total current assets		4,622,478	4,557,896	4,556,431	4,509,787
Creditors: amounts falling due within one year	11	(1,413,003)	(1,400,984)	(1,403,253)	(1,401,014)
Net current assets		3,209,475	3,156,912	3,153,178	3,108,773
Total assets less current liabilities		60,883,855	55,846,941	58,549,575	53,656,352
The funds of the charity:					
Endowment funds	13	57,857,323	52,810,423	55,551,569	50,656,844
Restricted income funds	14	1,746,421	1,782,839	1,717,895	1,745,829
Unrestricted income funds	15	1,280,111	1,253,679	1,280,111	1,253,679
Total charity funds		60,883,855	55,846,941	58,549,575	53,656,352

The financial statements on pages 13 to 41 were approved by the Board on 23 September 2014 and were signed on their behalf by:


Ashley Winter OBE


Colin Seacombe

Chair

Treasurer

Community Foundation
serving Tyne & Wear and Northumberland

Consolidated cash flow statement for the year ended 31 March 2014

	Note	Group 2014 £	Group 2013 £
Net incoming resources before revaluations and taxation		1,398,014	339,898
Investment income		(1,293,242)	(1,398,893)
Interest receivable		(34,996)	(56,533)
Receipts of endowment funds		(3,212,014)	(2,091,053)
Depreciation		7,491	8,148
Loss on disposal of fixed assets		-	2
Increase in debtors		(15,004)	(33,180)
Increase in creditors		12,019	273,401
Net cash outflow from operating activities		(3,137,732)	(2,958,210)
Returns on investments and servicing of finance			
Investment income		1,293,242	1,398,893
Interest receivable		34,996	56,533
		1,328,238	1,455,426
Taxation			
Tax paid		-	-
Capital expenditure and financial investment			
Payments to acquire fixed assets		(2,865)	(5,227)
Purchase of investments		(22,758,856)	(20,326,530)
Proceeds from sale of investments		21,408,779	19,936,325
		(1,352,942)	(395,432)
Management of liquid resources			
Decrease/(increase) in short term deposits	21	1,315,891	(2,336,220)
Financing			
Receipts of Endowment Funds		3,212,014	2,091,053
Increase/(decrease) in cash in year	21	1,365,469	(2,143,383)

Community Foundation

servicing Tyne & Wear and Northumberland

Accounting policies

a) Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention as modified by the revaluation of listed investments and freehold property, and in accordance with applicable accounting standards in the United Kingdom, including the Statement of Recommended Practice (SORP): Accounting and Reporting by Charities published in 2005, the Companies Act 2006 and the Charities Act 2011.

The financial statements consolidate the results of the Charity and its wholly-owned subsidiaries, Joseph Brough Charitable Trust, Tyne & Wear Foundation Limited and Tyne and Wear Foundation Trust, on a line by line basis using consistently applied accounting policies.

No separate SOFA has been presented for the Charity alone as permitted by section 408 of the Companies Act 2006 and paragraph 422 of the SORP.

b) Incoming resources

Income is recognised in the period in which it is receivable unless the Charity has to fulfil conditions before becoming entitled to it or if the donor has specified that the income is to be expended in a future period, in which case it is deferred. Donations are accounted for in the period in which they are received or receipt is certain.

Investment income is recognised on an accruals basis.

Grants from the government and other agencies have been included as income from activities in furtherance of the Charity's objects where these amount to a contract for services.

Legacies are included when the Charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

c) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Costs relating to raising voluntary donations, fundraising, grant costs and governance have been allocated direct to those cost headings and support costs have been apportioned on the basis of staff time spent on each area.

d) Grant commitments

Grants payable are charged in the year when the offer is approved and conveyed to the recipient. Cancelled grants are re-credited at the point the decision is made not to pay out the grant or when a refund has been received.

Community Foundation

servicing Tyne & Wear and Northumberland

Accounting policies (continued)

e) Fund accounting

Funds held by the Charity are as follows.

Unrestricted general funds: these are funds which can be used in accordance with the charitable objects at the discretion of the Directors.

Unrestricted designated funds: these are funds which the Directors regard as unrestricted because they are used for general charitable grant-making purposes in the Community Foundation's area of benefit although grants may still be made on recommendations from the donor.

Restricted funds: these are funds that can only be used for particular restricted purposes within the objects of the Charity.

Endowment funds are invested and the income from these funds is applied to the relevant restricted or unrestricted income funds.

Investment income is allocated to the income funds on a "total return" basis for the Charity. Withdrawals from the endowment fund have been made at a rate of 6% which the Directors review annually and consider to be a reasonable total return withdrawal rate. A total of £ 1,531,050 (2013: £1,093,311) in excess of investment income, was transferred from the endowment fund to restricted (£960,097) and unrestricted (£570,953) funds in the year. A separate agreement operates for Community First funds and any gain above indexed adjusted value is withdrawn from the funds. A total of £49,904 indexed gain was withdrawn during the year.

f) Listed and unlisted investments

Listed investments are stated at their quoted market value at the year end.

Unlisted investments are quoted at cost. Freehold property is stated at the Directors' estimate of market value. All of the properties were revalued by property consultants during 2013 and the Directors consider the valuations to be reasonable.

The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year. Realised gains and losses for the year are calculated based on market value brought forward plus any additions in the year. No depreciation is charged on investment properties.

g) Tangible fixed assets and depreciation

Depreciation is calculated to write off the cost of fixed assets over their estimated useful lives on a straight line basis, at the following rates:

Furniture and equipment	-	20% and 25% per annum
Office improvements	-	Over period of lease

h) Operating leases

Rentals applicable to operating leases are charged to the SOFA and Income and Expenditure Account over the period in which the cost is incurred.

Community Foundation
serving Tyne & Wear and Northumberland

Accounting policies (continued)

i) Pensions

The Community Foundation makes contributions on behalf of certain staff to a number of independently controlled defined contribution pension schemes. Contributions are charged in the period to which they relate.

j) Liquid resources

Liquid resources for cash flow purposes consist of cash held at banks in current and short term deposit accounts.

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2014

1 Investment income

	2014	2013
	£	£
Dividends & interest from endowment fund assets	1,293,242	1,398,893
Interest receivable on cash deposits	34,996	56,533
	1,328,238	1,455,426

2 Allocation of support costs and overheads

Support costs and overheads have been apportioned using the basis of staff time spent on the various activities.

	Donated income costs £	Fundraising events £	Charitable activities £	Governance £	Total 2014 £	Total 2013 £
Staff costs	30,695	830	109,436	10,930	151,891	156,985
Overhead costs	47,232	985	138,737	20,542	207,496	202,093
	77,927	1,815	248,173	31,472	359,387	359,078
Included in overhead costs are the following:					2014	2013
					£	£
Operating lease rentals - land and buildings					69,470	69,470
Loss on disposal of fixed assets					-	2
Depreciation					7,491	8,148

3 Costs of generating voluntary income

	2014	2013
	£	£
Staff costs	110,333	131,392
Direct costs	37,892	74,584
Support costs	77,927	94,806
	226,152	300,782

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2014
(continued)

4 Costs of fundraising events

	2014	2013
	£	£
Wages and salaries	2,112	3,517
Direct costs	8,766	37,974
Support costs	1,815	3,391
	12,693	44,882

5 Charitable activities

The Community Foundation serving Tyne & Wear and Northumberland undertakes its charitable activities through grant-making.

	2014	2013
	£	£
Grants payable	5,130,231	5,339,393
Staff costs	304,818	297,250
Direct costs	247,205	87,187
Support costs	248,173	229,544
	5,930,427	5,953,374

Included within direct costs is a payment of £180,762 which was transferred to Tiny Lives Trust in accordance with the agreement signed 1 May 2013.

Grants were awarded in the year to other charities, voluntary organisations and individuals as follows:

	2014	2014	2013	2013
	£	Number	£	Number
Grants approved for payment:				
Other charities & voluntary organisations	5,107,561	1,198	5,276,187	1,469
Individuals	80,346	171	90,287	187
Total new grants awarded in the year	5,187,907	1,369	5,366,474	1,656
Grants cancelled	(57,676)		(27,081)	
Total grant expenditure	5,130,231	1,369	5,339,393	1,656

A breakdown of grants awarded is shown on page 7. A full listing of grants awarded in the financial year can be found on our website www.communityfoundation.org.uk.

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2014
(continued)

6 Governance costs

	2014	2013
	£	£
Staff costs	50,407	51,104
Auditors' remuneration:		
- Audit services	7,800	7,550
Legal & professional	2,535	3,810
Direct costs	3,845	2,906
Support costs	31,472	31,337
	96,059	96,707

7 Staff costs

Staff costs comprise the following:	2014	2013
	£	£
Wages and salaries	540,211	558,703
Social security costs	52,514	53,552
Other pension costs	26,836	27,992
	619,561	640,247

The average number of employees, excluding Company Directors, employed by the Group during the year was 21 (2013: 22), full time equivalent 17.6 (2013: 19.2). The ratio of the highest salary to the median salary was 2.4:1.

None of the Directors received any remuneration during the year (2013: Nil). One of the Directors received reimbursement for expenses during the year totalling £393 (2013: Nil).

During the year employees with emoluments over £60,000 were in the following bands:	2014	2013
	Number	Number
£70,000 to £80,000	1	1

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2014
(continued)

8 Investments

Endowment fund investments - Group

At valuation	Listed investments £	Deposit & other cash balances £	Freehold property £	Total £
At 1 April 2013	50,810,914	1,490,928	367,501	52,669,343
Additions/movement in the year	22,269,776	489,080	-	22,758,856
Disposals in the year	(21,408,779)	-	-	(21,408,779)
Realised gains in the year	361,803	-	-	361,803
Unrealised gains in the year	3,277,097	-	-	3,277,097
At 31 March 2014	55,310,811	1,980,008	367,501	57,658,320
At cost				
At 31 March 2014	45,822,273	1,980,008	273,001	48,075,282
At 31 March 2013	40,198,466	1,490,928	273,001	41,962,395
Listed investments are detailed as follows:			2014 Market Value £	2013 Market Value £
UK Fixed Interest			5,420,427	4,922,443
UK Equities			20,650,426	22,307,989
Property			1,585,165	1,175,446
Overseas Fixed Interest			851,329	1,058,806
Overseas Equities			19,943,577	17,658,256
Collective Investment Schemes			4,871,300	2,057,048
Other			1,988,587	1,630,926
			55,310,811	50,810,914

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2014
(continued)

8 Investments (continued)

Endowment fund investments - Charity

At valuation	Listed investments £	Deposit & other cash balances £	Freehold property £	Total £
At 1 April 2013	48,668,364	1,490,928	367,501	50,526,793
Additions/movement in the year	19,947,733	489,080	-	20,436,813
Disposals in the year	(19,063,844)	-	-	(19,063,844)
Realised gains in the year	227,051	-	-	227,051
Unrealised gains in the year	3,253,424	-	-	3,253,424
At 31 March 2014	53,032,728	1,980,008	367,501	55,380,237
At cost				
At 31 March 2014	43,851,614	1,980,008	273,001	46,104,623
At 31 March 2013	38,436,075	1,490,928	273,001	40,200,004

Listed investments are detailed as follows:	2014 Market Value £	2013 Market Value £
UK Fixed Interest	5,195,997	4,559,572
UK Equities	19,688,319	21,391,247
Property	1,537,205	1,136,681
Overseas Fixed Interest	695,027	1,024,248
Overseas Equities	19,071,666	16,886,792
Collective Investment Schemes	4,871,300	2,057,048
Other	1,973,214	1,612,776
	53,032,728	48,668,364

Other investments - Charity

At cost & valuation	Unlisted investments £
At 1 April 2013	100
At 31 March 2014	100

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2014
(continued)

8 Investments (continued)

Unlisted investments held by the charity relate to £100 (2013: £100) investment in the subsidiary company Tyne & Wear Foundation Limited at cost. At 31 March 2014, the charity owned all of the ordinary share capital, consisting of 100 ordinary shares, of Tyne & Wear Foundation Limited, a company registered in England and Wales which raises funds through fundraising events.

Realised gains and losses are calculated based on the market value brought forward plus any additions in the year. Total net realised gains calculated using historical cost was £4,629,998 for the full group (2013: £1,517,227).

The Directors believe that the carrying value of the investments is supported by their underlying net assets. No single investment accounts for more than 5% of the endowment fund investments.

9 Tangible fixed assets

Group and Charity

	Furniture & equipment £	Office improvements £	Total £
Cost			
At 1 April 2013	67,943	20,269	88,212
Additions	2,865	-	2,865
At 31 March 2014	70,808	20,269	91,077
Accumulated Depreciation			
At 1 April 2013	47,257	20,269	67,526
Charge for the year	7,491	-	7,491
At 31 March 2014	54,748	20,269	75,017
Net book value			
At 31 March 2014	16,060	-	16,060
At 31 March 2013	20,686	-	20,686

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2014
(continued)

10 Debtors

	Group 2014 £	Group 2013 £	Charity 2014 £	Charity 2013 £
Other debtors	2,820	10,221	2,820	10,221
Dividends and interest receivable	91,339	68,945	85,095	56,264
Amounts owed by group undertakings	-	-	7,200	7,385
Prepayments and accrued income	19,620	19,609	19,620	19,609
	113,779	98,775	114,735	93,479

11 Creditors: amounts falling due within one year

	Group 2014 £	Group 2013 £	Charity 2014 £	Charity 2013 £
Other creditors and accruals	65,721	192,030	65,721	192,030
Grants payable	1,341,782	1,208,954	1,332,032	1,208,954
Amounts owed to group undertaking	-	-	-	30
Deferred income	5,500	-	5,500	-
	1,413,003	1,400,984	1,403,253	1,401,014

12 Taxation

As registered charities, the Community Foundation, Joseph Brough Charitable Trust and Tyne and Wear Foundation Trust are entitled to the exemptions from taxation in respect of income and capital gains received within categories covered by s505 Income and Corporation Taxes Act 1988 and s256 Taxation of Chargeable Gains Act 1992, to the extent that the income/gains received are applied for charitable purposes only. They are therefore not normally liable to UK Income Tax, Corporation Tax, or Capital Gains Tax.

	2014 £	2013 £
Corporation tax payable	-	-

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2014
(continued)

13 Endowment funds

The expendable endowment fund is treated by the Directors as a long term capital fund to provide income for future grant-making. Endowment donations received are allocated between unrestricted and restricted funds in accordance with the policy for each income fund. Joseph Brough Charitable Trust and Tyne and Wear Foundation Trust both hold permanently endowed funds.

	Group £	Charity £
At 1 April 2013	52,810,423	50,656,844
Transfers between funds:		
Total returns endowment withdrawal	(1,580,954)	(1,580,954)
Transfers to endowment from income funds	26,432	26,432
Exceptional withdrawal from endowment funds	(33,685)	(33,685)
Net incoming resources before transfers	2,996,207	3,002,457
Gains & losses on investment assets	3,638,900	3,480,475
At 31 March 2014	57,857,323	55,551,569

The Community Foundation (Charity) operates a total returns investment strategy and withdraws income from the endowment funds at a rate of 6% per annum to credit income funds to pay for grants and running costs. The difference between the actual endowment income received on the investments and the total withdrawal figure was £1,580,954 (including Community First indexed gain) and is shown as a transfer from the endowment fund. A withdrawal of £23,000 was made from the CNL Young People's Fund, £2,283 from the Baring Family Fund and £8,402 from the Roy Stewart Fund, all of which were used to cover grant-making commitments during the year.

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2014
(continued)

14 Income funds - restricted

The Community Foundation receives income and donations both for general charitable purposes and also for more specific areas and issues. All grants are approved by the Philanthropy Committee in consultation with people and companies who have set up funds within the Community Foundation for grant-making. Funds are deemed to be restricted either if they have been donated for a specific purpose or appeal, or if the donor has made a request that they are applied in one area or field. Since the year end the funds in deficit at 31 March 2014 have received sufficient funds to return them to credit.

	At 1 April 2013 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2014 £
Frank Acfield	3,652	903	3,800	-	755
Akzo Nobel International Paint	371	29,754	15,549	1,300	13,276
Allendale Willow	-	117	-	-	117
Amec Offshore	2,750	6,753	7,000	-	2,503
Asian	5,003	5,350	3,500	-	6,853
Asylum Seekers' Hardship	3,040	-	-	-	3,040
Stuart Ayre	3	1,635	1,638	-	-
Nancy Barbour Award	12,174	5,412	-	-	17,586
Baring Family	-	-	2,283	(2,283)	-
Barnes Grassroots	3,363	2,954	3,160	-	3,157
Sir Jeremy Beecham	126	1,406	2,200	-	(668)
Barbara & Chris Beith	390	228	150	-	468
Bellingham	1,231	2,477	3,675	-	33
Berwick Academy	3,373	8,752	4,275	-	7,850
Bird Family	780	494	200	874	200
Blackett Family Community First	2,000	3,120	1,850	-	3,270
Enid Blyton Fund for Seven Stories	-	39,070	39,070	-	-
Bowey Community First	-	2	-	-	2
Ron & Louise Bowey Grassroots	(731)	9,250	3,659	-	4,860
Canford Audio	1,391	389	-	-	1,780
Capacitybuilders CPP	5,458	-	-	-	5,458
Capacity Builders Regional	40	-	-	40	-
Capacity Builders Tyne & Wear	4	-	-	4	-
Change up - Regional	1,299	-	-	1,299	-
Chapman	59	23,124	24,095	-	(912)
CNL Young People's	25,664	9,553	48,867	(23,000)	9,350
Comic Relief	5,517	-	-	-	5,517
Comic Relief Community Cash	50,000	55,300	50,000	5,300	50,000
Comic Relief Local Communities	-	54,404	49,234	5,170	-
Comic Relief Large Grant	-	31,276	29,787	1,489	-
Community Ventures	11,018	-	1,950	8,637	431
Sir Tom Cowie	(3,823)	66,850	52,248	-	10,779
John D Grassroots	2,338	9,376	11,384	-	330
Duncan & Sarah Davidson	1,961	2,940	1,500	-	3,401
Pamela and Dorothy Denham	1,022	2,645	2,495	-	1,172
Pamela Denham Grassroots	297	444	-	-	741
Carried forward	139,770	373,978	363,569	(1,170)	151,349

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2014
(continued)

14 Income funds - restricted (continued)

	At 1 April 2013	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2014
	£	£	£	£	£
Brought forward	139,770	373,978	363,569	(1,170)	151,349
Pamela and Dorothy Denham Community First Endowment Dicksons'	- 42	(1,186) -	- -	(1,186) -	- 42
David Dockray's West End Young People's	(334)	42,103	37,862	-	3,907
Do a lotto good - Big Lottery Fund Sunderland Echo Campaign	-	260,793	260,793	-	-
Durham	-	2,280	2,280	-	-
Eaga Community	1	-	-	1	-
Robbie Elliot	3	-	-	3	-
ESF Community Grants	(82,355)	66,159	(16,196)	-	-
Evangelical	10,501	7,841	14,250	-	4,092
Evening Chronicle Sunshine	-	5,414	5,414	-	-
Express Enterprise	4,270	1,043	-	-	5,313
Esmée Fairbairn North East	-	195,000	140,770	15,000	39,230
Fair Share - Blyth	1,466	-	-	1,466	-
Fair Share - Wansbeck	1,432	-	-	1,432	-
FARNE	38,920	22,387	21,105	-	40,202
Fergusons of Blyth	4,202	6,054	7,435	-	2,821
Fogo Grassroots	15,318	15,929	31,235	-	12
Give2 Gateshead	454	822	1,557	(931)	650
Give2 Newcastle	1,909	4,866	15,551	(8,223)	(553)
Give2 North Tyneside	11	607	816	(316)	118
Give2 Northumberland	1,895	773	3,897	(1,892)	663
Give2 South Tyneside	239	1,061	1,000	(340)	640
Give2 Sunderland	2,416	6,003	13,595	(10,093)	4,917
David Goldman Awards	116	26,838	26,006	-	948
Grassroots Newcastle	4	-	-	4	-
Grassroots North Tyneside	17	-	-	17	-
Allison Greenlees Continuation The EDF Energy Green Rigg Wind Farm Community Benefit	1,248	5,563	3,000	3,811	-
The EDF Energy Green Rigg Wind Farm Community Benefit Fund (Otterburn)	36,000	39,600	48,000	-	27,600
Green Scheme	18,000	-	18,000	-	-
Lady Grey Memorial	801	860	1,000	172	489
Grounds Family	628	140	575	-	193
Jackie Haq Fund for Scotswood	130	117	-	-	247
Heyman Scholarships	418	1,372	1,251	-	539
Joy Higginson	5,007	4,785	3,215	-	6,577
High Sheriff of Northumberland	2,462	1,434	-	-	3,896
Hokey Cokey Community First	10,331	68,219	42,000	27,352	9,198
Hoult Family Grassroots Acorn	-	(353)	-	(353)	-
The HunterPemberton Community First	2,163	2,115	3,752	500	26
Carried forward	-	521	-	-	521
	217,485	1,163,138	1,051,732	25,254	303,637

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2014
(continued)

14 Income funds - restricted (continued)

	At 1 April 2013	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2014
	£	£	£	£	£
Brought forward	217,485	1,163,138	1,051,732	25,254	303,637
If only... Grassroots	2,275	999	757	-	2,517
Josephs Family	-	278	250	28	-
JPMorgan	7,837	2,163	-	-	10,000
Pam Katirai Memorial	196	-	-	-	196
Kellett	337,903	332,565	325,636	-	344,832
Kerry Community First	40	(1,203)	-	(1218)	55
Kerry Grassroots	5,477	4,781	4,289	-	5,969
June King	-	1,413	1,413	-	0
Latterford	195	561	550	-	206
Lendrum Community First	5,606	1,494	3,204	(1,267)	5,163
Linden Community First	-	(14,116)	-	(14,116)	-
Local Environmental Action	18,954	147,761	144,713	(6,456)	28,458
George Loggie	7,208	1,125	-	-	8,333
Lady Betty Martin Fund within the North East Fund for the Arts	-	2,500	-	-	2,500
Maudslay Family Grassroots	1,940	1,278	2,668	-	550
Grigor McClelland Memorial	-	1,242	-	-	1,242
Alan Morse Grassroots	7	-	-	7	0
Muckle LLP Grassroots	2,603	6,705	6,900	-	2,408
NEF Grassroots	1,399	1,586	2,559	-	426
Newcastle Culture Investment	-	15,080	135,000	15,000	(134,920)
North East Fund for the Arts	2,055	4,309	8,445	(9,550)	7,469
Northern Angel	12,048	31,398	22,330	3,106	18,010
North Tyneside	-	1,352	663	-	689
North Tyneside Women's Aid	29,550	-	8,000	-	21,550
Northumberland Group	66,235	30,673	59,426	-	37,482
Out & About	27,121	54,863	30,000	-	51,984
P&G Grassroots	1,286	3,770	5,057	-	(1)
Patch	17,750	13,487	8,800	-	22,437
Pea Green Boat Community First	-	28,045	20,415	-	7,630
Percy Family	3,919	4,444	6,168	-	2,195
Port of Tyne Community Action	3,000	111,000	100,000	11,000	3,000
Prime Grassroots	3,441	15,098	18,540	-	(1)
Owen Pugh	-	22,000	20,000	2,000	-
Queen's Diamond Jubilee Fund for Tyne & Wear	27,461	-	27,404	57	-
Readman Family Grassroots	9,810	62,641	46,731	-	25,720
Readman Foundation	280,151	2,773	(3,250)	5,619	280,555
Carrie Reay	107	-	-	-	107
Carrie Reay Grassroots	2,763	3,487	5,345	-	905
REEDS Community First	-	(2,386)	-	(2,387)	1
REEDS Grassroots	10,998	13,829	10,541	-	14,286
Riddell Family Community First	-	23,574	18,272	-	5,302
Riding Grange Grassroots	864	2,984	3,027	-	821
Ringtons Community First	-	(7,500)	-	(7,500)	-
Rio Tinto Alcan	5,407	-	5,407	-	-
Jane Robertson Alnwick	590	667	580	-	677
Brian Roycroft	6,762	8,450	12,911	119	2,182
Carried forward	1,120,443	2,098,308	2,114,483	19,696	1,084,572

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2014
(continued)

14 Income funds -restricted (continued)

	At 1 April 2013	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2014
	£	£	£	£	£
Brought forward	1,120,443	2,098,308	2,114,483	19,696	1,084,572
RWE Innogy UK Middlemoor					
Wind Farm Community	-	89,100	46,907	8,100	34,093
Sage Gateshead	1,916	644,668	634,701	-	11,883
Sammy Johnson Memorial	-	11,359	11,359	-	-
Santander SEDA	303	220,000	220,000	303	-
Share Family	191	-	-	-	191
Shears Grassroots	1,050	5,977	7,028	-	(1)
Smail Family	432	2,171	1,500	-	1,103
Henry Smith Charity	306,200	1,138,500	1,001,600	-	443,100
Sponsors Club	75,955	28,228	-	50,261	53,922
Sport Relief	5,616	-	-	-	5,616
Shobha & Triloki Srivastava					
Community First Endowment	-	(82)	-	(82)	-
Sunderland Industrial &					
Reformatory School	297	1,185	448	-	1,034
Surviving Winter	2,569	21,544	20,580	3,187	346
Surviving Winter SAGA	967	-	-	967	-
Suz Grassroots	1,247	1,574	1,880	-	941
Taylor	6,867	18,470	24,156	-	1,181
Thornton Family Grassroots	5,403	3,679	6,500	-	2,582
Three Valleys	228	1,918	2,000	-	146
Three Valleys Grassroots	1,265	7,070	7,230	-	1,105
Tiny Lives	172,451	112,673	86,419	198,705	-
Treeline Grassroots	1,492	725	2,020	-	197
Trevelyan	6	-	-	6	-
Tyne & Wear High Sheriff					
Awards	7,093	38,930	28,500	4,369	13,154
Ted Weekes	6,821	7,743	5,821	-	8,743
Tyne & Wear Grassroots	-	717	505	-	212
UK Land Estates	677	10,000	9,675	1,000	2
Virgin Money	11,080	3,298	11,000	-	3,378
Vicky Grassroots	1,403	1,302	2,000	-	705
The Wellesley Trust					
Community First	-	32,500	-	-	32,500
Winter Family Grassroots	3,190	7,271	6,732	-	3,729
CH Wood	2,564	4,662	4,500	-	2,726
Women's	7,310	36,239	24,206	9,597	9,746
Young Musician's	793	5,288	5,092	-	989
Total Community Foundation	1,745,829	4,555,017	4,286,842	296,109	1,717,895
Joseph Brough Charitable Trust	23,993	11,532	17,970	30	17,525
Tyne and Wear Foundation					
Trust	13,047	10,444	12,460	-	11,031
Tyne & Wear Foundation Ltd	(30)	-	-	-	(30)
Total Group	1,782,839	4,576,993	4,317,272	296,139	1,746,421

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2014
(continued)

14 Income funds -restricted (continued)

Income and transfers include credits of £960,097 transferred from the endowment fund to distribute as income on a total returns basis. Other outgoings include credit transfers between funds of £17,071, less staff costs of £83,413, payment to Tiny Lives Trust of £180,762 and other fund expenses and fundraising event costs of £49,035. The Women's Fund includes income from People of Ward Hadaway in memory of Sue Watts fund and Fausta and Rosemary Community First fund, Brian Roycroft fund includes income from the Tessa Hide fund and Tiny Lives fund includes income from the Moor fund.

15 Income funds - unrestricted

As well as a general administrative unrestricted fund (included below for completeness) the Community Foundation holds the following designated funds which the Directors regard as unrestricted because they are used for general charitable purposes in the Community Foundation's area of benefit although grants may still be made on recommendations from the donor. The funds are to be used for grant-making and grants are awarded throughout the year when committees meet and make recommendations to the Board. Since the year end the funds in deficit at 31 March 2014 have received sufficient funds to return them to credit.

	At 1 April 2013	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2014
	£	£	£	£	£
Adderstone	13,229	11,462	14,040	-	10,651
Anonymous	48	4,366	2,100	-	2,314
Anonymous	2,043	3,039	2,750	-	2,332
Anonymous M	14,250	-	14,250	-	-
Bank of England	800	-	-	-	800
Barnes	(323)	2,026	1,000	-	703
Peter & Angela Barratt	12,615	-	-	1,000	11,615
John Bell	6,034	34,268	31,100	750	8,452
Bellway	1,694	1,481	1,360	-	1,815
Benfield Motors	1,649	2,502	-	-	4,151
Bonas Machine Company	1,092	917	1,000	-	1,009
Ron and Louise Bowey	16,029	35,842	20,556	-	31,315
The Muriel Campbell	-	1,160	1,160	-	-
Carr-Ellison Charitable Trust	1,811	20,777	19,550	500	2,538
Chrysalis	246	2,329	2,000	-	575
Roland Cookson	7,538	44,597	37,948	-	14,187
Crozier	22,040	-	-	-	22,040
John D	1	13,750	12,751	1,000	-
Death of a Nightingale	2,442	-	-	-	2,442
Dulverton	(4,901)	90,000	70,822	9,000	5,277
Fogo	2,717	5,350	6,677	-	1,390
Funding Network	50	10,994	11,275	(231)	-
Gateshead Housing Company Community	3,815	46,000	41,533	8,500	(218)
George & Peggy	2,891	4,247	-	-	7,138
Michael & Christine Heppell	5,169	2,968	500	-	7,637
The Hokey Cokey (that's what it's all about)	1,581	2,073	480	-	3,174
I' Anson Family	3,057	2,631	3,310	-	2,378
If only...	1,021	450	1,243	-	228
Carried forward	118,638	343,229	297,405	20,519	143,943

Community Foundation
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Notes to the financial statements for the year ended 31 March 2014
(continued)

15 Income funds - unrestricted (continued)

	At 1 April 2013	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2014
	£	£	£	£	£
Brought forward	118,638	343,229	297,405	20,519	143,943
RWE Innogy UK Kiln Pit					
Hill Wind Farm Community	-	16,923	14,940	1,692	291
John Laing	255	2,685	3,000	-	(60)
Abdul Latif, Lord of					
Harpole, Memorial	1,656	-	600	-	1,056
William Leech Charity	23,677	21,241	9,500	-	35,418
Leech Challenge	1,723	3,124	-	-	4,847
Linden Family	173	62,976	50,116	-	13,033
Helen McArdle	11,375	-	6,000	2,625	2,750
Lily Matthews	22,020	-	-	9,250	12,770
David Mattu	1,250	-	-	-	1,250
Maudslay Family	453	513	832	-	134
G S May Family	668	6,279	5,466	-	1,481
Middleton Community					
Enterprises	207	-	-	-	207
Muckle LLP	10,112	37,994	34,396	1,899	11,811
Newcastle Brown Ale	5,837	22,667	19,973	2,000	6,531
Newcastle Building Society					
Community	4,187	8,387	8,000	300	4,274
Emma Newton	653	4,537	4,209	-	981
North 150	-	20,000	-	2,000	18,000
North East Brewers	2,428	5,854	4,300	-	3,982
Northern Powergrid	697	9,241	9,450	-	488
Northumbrian Water	214	5,642	3,460	-	2,396
PricewaterhouseCoopers	5,405	1,775	5,000	-	2,180
Prime	3,921	11,813	15,734	-	-
P&G	12,648	36,202	49,813	-	(963)
Guy Readman	332	-	-	332	-
Ridley Family	21,351	-	20,851	500	-
Ringtons	9,665	36,830	25,086	-	21,409
Rolls-Royce	743	1,244	1,000	-	987
Joseph Rowntree Charitable					
Trust	26,079	11,845	15,500	-	22,424
St Cuthbert's	10,460	1,055	10,000	-	1,515
Sage Community	32,239	45,245	39,460	4,500	33,524
Henry Smith Charity North					
East Grants	-	7,500	-	-	7,500
Johnnie & Tricia Smith	3,996	1,980	-	-	5,976
Barry & Faga Speker	2,383	1,750	1,165	-	2,968
Spriggs Family	-	234	-	-	234
Star	1,855	9,375	12,500	400	(1,670)
Roy Stewart	1,281	98	8,802	(7,423)	-
Survive to Thrive	78,240	4,900	43,050	(1,882)	41,972
TESS	2,312	2,350	1,000	-	3,662
Treeline	527	2,694	2,490	-	731
Vaux	-	7,779	7,311	-	468
Ward Hadaway	4,551	1,134	3,115	-	2,570
Watkin Family	6,975	27,490	26,202	-	8,263
Watson Family	3,726	-	500	-	3,226
Carried forward	434,912	784,585	760,226	36,712	422,559

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2015
(continued)

15 Income funds - unrestricted (continued)

	At 1 April 2013 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2014 £
Brought forward	434,912	784,585	760,226	36,712	422,559
Willis Charitable	1,191	729	259	-	1,661
Winter Family	1,758	5,312	4,262	-	2,808
Robert Wood Trust	-	5,000	-	-	5,000
Other general grant-making funds	290,771	134,468	48,212	100,222	276,805
Total designated funds	728,632	930,094	812,959	136,934	708,833
Administrative fund	525,047	716,501	-	670,270	571,278
Total Community Foundation	1,253,679	1,646,595	812,959	807,204	1,280,111
Total Group	1,253,679	1,646,595	812,959	807,204	1,280,111

Income and transfers include £570,953 transferred from the endowment fund to distribute as income on a total returns basis. Other outgoings and transfers consist of credits of £40,086 transferred between funds, less £536,147 staff costs, £3,357 designated fund expenses and other administrative costs of £307,786.

A number of funds contribute to the Community Foundation's general unrestricted grant fund, including Ian and Jane Gregg, Greggs plc, Sir James Knott Trust, Mitford, Templeton, Tolent, Tyne Tees Television, and two anonymous funds. In addition to the funds listed in restricted and unrestricted funds there are 33 acorn funds, a number of which currently donate their income to other funds. A full listing of acorn funds can be found on our website; www.communityfoundation.org.uk and they will appear in the above analysis once they reach maturity.

16 Analysis of net assets between funds

Group

	Unrestricted funds £	Restricted funds £	Endowment funds £	2014 Total £
Investments	-	-	57,658,320	57,658,320
Tangible fixed assets	16,060	-	-	16,060
Current assets	1,422,520	3,000,685	199,273	4,622,478
Current liabilities	(158,469)	(1,254,264)	(270)	(1,413,003)
Total net assets	1,280,111	1,746,421	57,857,323	60,883,855

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2014
(continued)

16 Analysis of net assets between funds (continued)

Charity

	Unrestricted funds	Restricted funds	Endowment funds	2014 Total
	£	£	£	£
Investments	-	100	55,380,237	55,380,337
Tangible fixed assets	16,060	-	-	16,060
Current assets	1,422,520	2,962,309	171,602	4,556,431
Current liabilities	(158,469)	(1,244,514)	(270)	(1,403,253)
Total net assets	1,280,111	1,717,895	55,551,569	58,549,575

17 Financial commitments

At 31 March 2014 the group had annual commitments under non-cancellable operating leases as follows:

	Land & buildings 2014	Land & buildings 2013
	£	£
Expiry date:		
Within two to five years	69,470	69,470
	69,470	69,470

18 Pensions

The Community Foundation contributes to a number of defined contribution pension schemes. The assets of the schemes are held separately from those of the Community Foundation in independently administered funds. The pension charge represents contributions by the Community Foundation to the funds and amounted to £26,836 (2013: £27,992). Outstanding contributions at 31 March 2014 were £249 (2013: £901).

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2014
(continued)

19 Subsidiary company and charities

These financial statements are consolidated to include the financial transactions of the following as required under the Statement of Recommended Practice:

Tyne & Wear Foundation Limited - wholly owned subsidiary

Joseph Brough Charitable Trust - sole trustee

Tyne and Wear Foundation Trust - sole trustee

As permitted by section 230 of the Companies Act 2006, and by paragraph 422 of the Statement of Recommended Practice 2005, no separate company Statement of Financial Activities has been presented for the Community Foundation serving Tyne and Wear and Northumberland within these financial statements. The Company's gross income for the year was £7,882,576 (2013: £6,902,546) and its net incoming resources for the year were £1,412,748 (2013: £336,680).

The company made gains on investments of £3,480,475 (2013: £5,337,287). The company's net increase in funds was £4,893,223 (2013: £5,673,967).

The Community Foundation owns the whole of the issued share capital of Tyne & Wear Foundation Limited, a company registered in England. The subsidiary is used to carry out larger fundraising events on behalf of the charity. The company was inactive during the year and therefore the amount gift aided to the Community Foundation was nil (2013: inactive). A summary of results of the subsidiary company is shown below:

	Total	Total
	2014	2013
	£	£
Turnover	-	-
Cost of sales	-	-
Operating profit	-	-
Administrative costs	-	-
Net profit	-	-

The aggregate of the assets and liabilities was:	Total	Total
	2014	2013
	£	£
Assets	70	70
Liabilities	-	-
Net assets	70	70

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2014
(continued)

19 Subsidiary company and charities (continued)

The Community Foundation is sole trustee of Joseph Brough Charitable Trust, a registered charity. All activities of the charity have been consolidated on a line by line basis in the SOFA. A summary of the results of Joseph Brough Charitable Trust is shown below:

	Total	Total
	2014	2013
	£	£
Investment income	16,532	34,541
Charitable expenditure	(23,000)	(25,030)
Investment management costs	(1,359)	(730)
Gains and losses on investments	127,175	156,643
Net movement in funds	119,348	165,424

The aggregate of the assets, liabilities and funds was:

	Total	Total
	2014	2013
	£	£
Assets	1,583,689	1,459,341
Liabilities	(5,000)	-
Funds	1,578,689	1,459,341

Represented by:

	Total	Total
	2014	2013
	£	£
Permanent endowment fund	1,561,164	1,435,348
Restricted funds	17,525	23,993
Funds	1,578,689	1,459,341

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2014
(continued)

19 Subsidiary company and charities (continued)

The Community Foundation is also sole trustee of Tyne and Wear Foundation Trust, a registered charity. All activities of the charity have been consolidated on a line by line basis in the SOFA. A summary of the results of Tyne and Wear Foundation Trust is shown below:

	Total	Total
	2014	2013
	£	£
Investment income	18,597	18,135
Investment management costs	(4,891)	(3,844)
Charitable expenditure	(20,613)	(19,854)
Gains and losses on investments	31,250	70,224
Net movement in funds	24,343	64,661

The aggregate of the assets, liabilities and funds was:

	Total	Total
	2014	2013
	£	£
Assets	767,571	738,663
Liabilities	(11,950)	(7,385)
Funds	755,621	731,278

Represented by:

	Total	Total
	2014	2013
	£	£
Permanent endowment fund	744,590	718,231
Restricted funds	11,031	13,047
Funds	755,621	731,278

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2014
(continued)

20 Related party transactions

In the ordinary course of the Community Foundation's activities, it has awarded grants to other charities or organisations that have common Trustees/Directors, or whose employees are Directors of the Community Foundation. All grants have been awarded using the same guidelines as any other grant. Directors are always required to declare their interest in any organisation being considered for a grant and do not take part in any such decisions.

Directors and their associated companies donated a total of £60,336 to Community Foundation during the year, (2013: £82,537) to named endowment and revenue funds. Jo Curry is an employee of VONNE, which sublet part of Community Foundation offices and during the year paid £17,744 to cover rent and other office services.

Full details are given below of grants awarded during the year to related charities and organisations.

Organisation	Director involved	Relationship	Total grants £
Calvert Trust	Fiona Cruickshank OBE	Trustee	7,050
The Cyrenians	Jo Curry	Trustee	9,785
The Derwent Initiative	Susan Winfield OBE	Trustee	2,000
HealthWORKS Newcastle	Chris Drinkwater CBE	Trustee	4,047
North Music Trust	Jane Robinson/Fiona Cruickshank OBE	Trustees	662,345
NTC Touring Theatre	John Clough MBE	Trustee	1,100
Young Asian Voices	Dean T. Huggins	Trustee	30,950

21 Cash flow information for the Group

Reconciliation of net cash flow to movement in net funds

	2014 £	2013 £
Increase/(decrease) in cash in the year	1,365,469	(2,143,383)
(Decrease)/increase in short term deposits	(1,315,891)	2,336,220
Movement in net funds in the year	49,578	192,837
Net funds at 1 April 2013	4,459,121	4,266,284
Net funds at 31 March 2014	4,508,699	4,459,121

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2014
(continued)

21 Cash flow information for the Group (continued)

Analysis of net funds

	1 April 2013 £	Cash flow £	31 March 2014 £
Cash at bank and building society	1,113,401	1,365,469	2,478,870
Short term deposits	3,345,720	(1,315,891)	2,029,829
Net funds	4,459,121	49,578	4,508,699

22 Ultimate controlling party

The Directors do not consider that the Community Foundation (Charity) has an ultimate controlling party because the Community Foundation has a large and wide ranging membership who elect the Board and would be required to agree any changes to the Memorandum and Articles. Due to the structure of the Community Foundation (Charity) the group also does not have an ultimate controlling party.