

TYNE & WEAR FOUNDATION
(A company limited by guarantee)

DIRECTORS' REPORT AND ACCOUNTS

31 MARCH 1995

COMPANY NUMBER 2273708



TYNE & WEAR FOUNDATION
(A company limited by guarantee)

DIRECTORS' REPORT

The Directors submit their report and audited financial statements for the year ended 31 March 1995.

ENDOWMENT FUND

Receipts during the year including a gift of freehold property and challenge grant monies amounted to £468,583 (1994 - £713,102). At the year end the Fund balance was £3,951,136 (1994 - £3,256,116). Investment of the Fund was handled by professional fund managers and the position at 31 March 1995 is summarised in Note 5 to the accounts. The Directors have reserved the right to make a charge for costs of investment management and grant making and this year £32,262 has been charged (1994 - £22,251).

Amounts pledged to the endowment fund but not yet received, totalled £750,000 (1994 - £517,693), including £200,000 from the Tiny Lives Fund.

The Foundation is also sole trustee of the Joseph Brough Charitable Trust, which had assets at market value of £680,000 (1994 - £702,000) at the year end.

INCOME AND EXPENDITURE ACCOUNT

Expenditure for the year amounted to £181,579 (1994 - £173,213). Income from all sources amounted to £1,018,664 (1994 - £964,828). Grant appropriations for the year were £795,220 (1994 - £809,500), including £573,757 (1994 - £616,968) for designated projects of which £500,000 (1994 - £500,000) related to projects funded by Henry Smith's Charity.

At 31 March 1995 the balance on the accumulated fund was £110,999 (1994 - £69,134). The directors consider that £95,674 (1994 - £58,607) was a general reserve and that £15,325 (1994 - £10,527) is available for future grant appropriation.

DIRECTORS

The Directors who served during the year were:

AG Balls CB	
A Brown	(appointed 1 December 1994)
A Caldwell	
Sir Tom Cowie OBE	
HP Florek	(appointed 6 October 1994)
DR Francis	
JL Hamilton	(appointed 1 December 1994)
PRM Harbottle	
CA Howells	
B Latham	
P Mattu	
WG McClelland CBE DCL DL	(retired 6 October 1994)
LAK Milton	(retired 6 October 1994)
Cllr S Murray CBE	
P Nelson	
F Nicholson	(retired 6 October 1994)
Lord Ralph Percy	(appointed 1 December 1994)
EB Roycroft	(appointed 6 October 1994)
A Share	(appointed 1 December 1994)
RC Spoor OBE DCL DL	(retired 6 October 1994)
Sir Michael Straker CBE DL	(retired 6 October 1994)

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DIRECTORS' REPORT (Continued)

DIRECTORS (continued)

J Squires
AJ Tompkins (retired 6 October 1994)
JA Wardropper
MJ Worthington
AJ Winder (appointed 6 October 1994)

P Nelson and JA Wardropper retire under the articles of association and, being eligible, offer themselves for re election. AG Balls, Councillor S Murray and B Latham also retire and their nominating authorities will be entitled to reappoint them. A Brown, Sir T Cowie OBE, DR Francis, J Hamilton, P Mattu, Lord R Percy, A Share and MJ Worthington are co-opted members who retire at the Annual General Meeting and are eligible for reappointment.

TANGIBLE FIXED ASSETS

The movement in tangible fixed assets is shown in Note 6 to the accounts.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are required by the Companies Act 1985, to prepare financial statements which give a true and fair view of the state of the affairs of the Foundation as at the end of the financial year and of the profit or loss for the financial year.

The Directors consider that in preparing the financial statements on pages 4 to 11, the Foundation has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The Directors have responsibility for ensuring that the Foundation keeps accounting records which disclose with reasonable accuracy the financial position of the Foundation and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Foundation and to prevent and detect fraud and other irregularities.

The Directors have responsibility to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

AUDITORS

Price Waterhouse 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

G Hepburn
Company Secretary



6 July 1995

Price Waterhouse



**AUDITORS' REPORT TO THE MEMBERS OF
TYNE & WEAR FOUNDATION
(A company limited by guarantee)**

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31 March 1995 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

PRICE WATERHOUSE
Registered Auditors
6 July 1995

89 Sandyford Road
Newcastle upon Tyne
NE99 1PL

TYNE & WEAR FOUNDATION
(A company limited by guarantee)

**INCOME AND EXPENDITURE ACCOUNT FOR
THE YEAR ENDED 31 MARCH 1995**

	<u>1995</u>	<u>1994</u>
INCOME		
Investment income	203,182	122,241
Donations	69,739	67,428
Grants for designated projects	573,757	616,968
Grants for administration	71,684	89,049
Consultancy fees	32,515	23,678
Interest received	<u>67,787</u>	<u>45,464</u>
	1,018,664	964,828
EXPENDITURE		
Staff costs (Note 2)	98,535	112,093
Office costs (Note 3)	48,837	48,307
Promotional costs (Note 4)	<u>34,207</u>	<u>12,813</u>
	181,579	173,213
Balance available for grant appropriation:	837,085	791,615
Grants appropriated: (Note 11)		
Designated projects	573,757	616,968
Other	<u>221,463</u>	<u>192,532</u>
	<u>(795,220)</u>	<u>(809,500)</u>
Surplus/(deficit) of income over expenses and grant appropriation (Note 12)	41,865	(17,885)
Fund balance brought forward	<u>69,134</u>	<u>87,019</u>
Fund carried forward	<u>£110,999</u>	<u>£69,134</u>

The directors consider that the nature of the company's activities is such that the format shown above is more informative than that recommended by the Companies Act 1985.

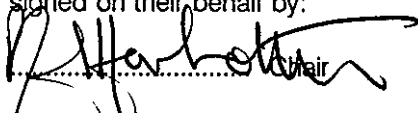
There are no material differences between reported results and historical cost results.

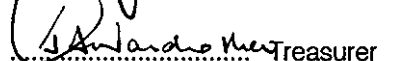
TYNE & WEAR FOUNDATION
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BALANCE SHEET - 31 MARCH 1995

	<u>1995</u>	<u>1994</u>
ENDOWMENT FUND INVESTMENTS (Note 5)	3,951,136	3,256,116
TANGIBLE FIXED ASSETS (Note 6)	4,838	7,198
CURRENT ASSETS		
Debtors (Note 7)	50,131	37,983
Cash:		
Bank balances	69,238	112,396
Building societies	<u>1,278,010</u>	<u>959,460</u>
	1,397,379	1,109,839
CREDITORS: Amounts due within one year (Note 8)	<u>(996,431)</u>	<u>(788,338)</u>
NET CURRENT ASSETS	<u>400,948</u>	<u>321,501</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	4,356,922	3,584,815
CREDITORS: Amounts due after more than one year (Note 9)	<u>(294,787)</u>	<u>(259,565)</u>
	<u>£4,062,135</u>	<u>£3,325,250</u>
RESERVES		
Accumulated Fund	110,999	69,134
Endowment Fund (Note 12)	<u>3,951,136</u>	<u>3,256,116</u>
	<u>£4,062,135</u>	<u>£3,325,250</u>

The financial statements on pages 4 to 11 were approved by the Board on 6 July 1995 and are signed on their behalf by:


Chair


Treasurer

TYNE & WEAR FOUNDATION
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STATEMENT OF RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 1995

	<u>1995</u>	<u>1994</u>
Surplus/(deficit) for the financial year (Note 13)	41,865	(17,885)
Endowment fund receipts (Note 12)	468,583	713,102
Profit on sale of Endowment Fund investments (Note 12)	226,437	272,092
Total recognised gains and losses relating to the year	£736,885	£967,309

TYNE & WEAR FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1995

1 ACCOUNTING POLICIES

(a) Accounting Convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) Depreciation

Depreciation is calculated to write off the cost of fixed assets over their estimated useful lives at the following rates:

Furniture and Equipment 25% per annum

(c) Investments

Investments are recorded at cost and the cost of donated investments is taken to be the market value as at the date of the gift.

(d) Grant Appropriation

Grants for designated projects are recorded for appropriation when the related grant income is received. Other grants are recorded for appropriation when approved by the Directors. Grants approved not paid are treated as a liability of the Foundation.

(e) Sale of Endowment Investments

Profits and losses on the sale of investments in the Endowment Fund are taken directly to the fund and do not pass through the Income and Expenditure Account.

(f) Pensions

The Foundation makes contributions on behalf of certain staff to a number of independently controlled pension schemes. Contributions are charged to the income and expenditure account over the period to which they relate.

2 STAFF COSTS

	<u>1995</u>	<u>1994</u>
Salaries	156,405	157,441
Social security costs	15,720	16,072
Other pension costs	6,853	7,074
	178,978	180,587
Less: Deducted from Consultancy Fees	<u>(80,443)</u>	<u>(68,494)</u>
	£98,535	£112,093

TYNE & WEAR FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS (continued)

2 STAFF COSTS (continued)

During the year the Foundation engaged four people to carry out specific consultancy assignments. Their remuneration, which is included in the above analysis, aggregated £80,443 (1994 - £68,494) and has been deducted from consultancy fees in the income and expenditure account. Including these four people the average number of people, excluding directors, employed by the company during the year was 9 (1994 : 10). The directors did not receive any remuneration during the year (1994 - £Nil).

3 OFFICE COSTS	<u>1995</u> £	<u>1994</u> £
Office costs include:		
Auditor's remuneration	800	800
Depreciation	3,176	4,108
	<u> </u>	<u> </u>

4 PROMOTIONAL COSTS

Promotional costs are shown net of sponsors' contributions of £8,750 (1994: £7,733). They include £12,097 incurred during the Royal Shakespeare Company's Newcastle season, which was met by an administration grant from members of the Sponsors Club.

5 ENDOWMENT FUND INVESTMENTS	<u>1995</u>	<u>1994</u>
Quoted investments at cost (market value at 31 March 1995 £3,814,416 and at 31 March 1994 £3,650,206)	3,664,880	2,943,896
Freehold property	19,000	-
Deposit and other cash balances	<u>267,256</u>	<u>312,220</u>
	<u>£3,951,136</u>	<u>£3,256,116</u>

6 TANGIBLE FIXED ASSETS

	<u>Furniture and Equipment</u>
<u>Cost</u>	
At 31 March 1994	24,683
Additions	<u>816</u>
At 31 March 1995	<u>25,499</u>
<u>Depreciation</u>	
At 31 March 1994	17,485
Charge for the year	<u>3,176</u>
At 31 March 1994	<u>20,661</u>
<u>Net Book Amount</u>	
At 31 March 1995	<u>£4,838</u>
	<u> </u>
At 31 March 1994	<u>£7,198</u>
	<u> </u>

TYNE & WEAR FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS (continued)

7 DEBTORS

	<u>1995</u>	<u>1994</u>
Consultancy debtors	12,641	12,517
Other debtors	4,856	5,940
Dividends and interest receivable	<u>32,634</u>	<u>19,526</u>
	<u>£50,131</u>	<u>£37,983</u>

8 CREDITORS (Amounts due within one year)

	<u>1995</u>	<u>1994</u>
Sundry creditors and accruals	215,414	48,518
Grants payable (Note 11)	<u>781,017</u>	<u>739,820</u>
	<u>£996,431</u>	<u>£788,338</u>

Sundry creditors include £138,241 held on behalf of the steering committee of County Durham Foundation.

9 CREDITORS (Amounts due after more than one year)

	<u>1995</u>	<u>1994</u>
Grants payable (Note 11)	<u>£294,787</u>	<u>£259,565</u>

10 TAXATION

The Company by being a registered charity is not liable to UK Income Tax, Corporation Tax, and Capital Gains Tax as long as the income it receives is applied for charitable purposes. There is therefore no tax charge in the accounts.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

11 GRANTS

Grants activity for the year is summarised as follows:

	<u>1995</u>	<u>1994</u>
Balance at 1 April	999,385	691,593
Grants approved:		
Designated projects	573,757	616,968
Other	<u>232,759</u>	<u>206,201</u>
	1,805,901	1,514,762
Grants cancelled	<u>(11,296)</u>	<u>(13,669)</u>
	1,794,605	1,501,093
Grants paid	<u>(718,801)</u>	<u>(501,708)</u>
Grants payable	£1,075,804	£999,385
Of which:	<u> </u>	<u> </u>
Due less than one year	781,017	739,820
Due more than one year	<u>294,787</u>	<u>259,565</u>
	<u>£1,075,804</u>	<u>£999,385</u>

12 ENDOWMENT FUND

	<u>1995</u>	<u>1994</u>
Fund at 1 April	3,256,116	2,270,922
Received during the year (Note 13)	468,583	713,102
Profit on sale of investments (Note 13)	<u>226,437</u>	<u>272,092</u>
Fund at 31 March	<u>£3,951,136</u>	<u>£3,256,116</u>

TYNE & WEAR FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS (continued)

13 RECONCILIATION OF MOVEMENT IN RESERVES

	<u>1995</u>	<u>1994</u>
Balance at 1 April	3,325,250	2,357,941
Accumulated fund surplus/(deficit)	41,865	(17,885)
Endowment fund receipts	468,583	713,102
Endowment fund profit on sale of investments	<u>226,437</u>	<u>272,092</u>
	<u>£4,062,135</u>	<u>£3,325,250</u>