

Community Foundation

serving Tyne & Wear and Northumberland

(A company limited by guarantee)

Directors' report and accounts for the year ended 31 March 2004

Registered company number 2273708

Registered charity number 700510



Community Foundation

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Directors' report and accounts for the year ended 31 March 2004

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Community Foundation

serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2004

Introduction

The following information about the financial year 2003/2004 is presented in the form required by the Charity Commission and is in accordance with the Statement Of Recommended Practice (SORP), entitled "Accounting and Reporting by Charities" published in October 2000. A fuller account of the year is given in the 2004 Yearbook, which is a separate document available from the Community Foundation's office.

Governing document

The Community Foundation is a company limited by guarantee No 2273708 and is governed by its memorandum and articles of association. It is a registered charity No 700510.

Directors

The Community Foundation has powers to appoint a President, Patron and Vice Presidents who are listed in the Yearbook.

The managing body is the Board of Directors who are the Trustees of the Charity. Directors who have served during the year are listed below. Membership of sub committees is indicated by the following abbreviations:

Finance and General Purposes Committee	(F&GP)
Grants Strategy Committee	(Grants)
Audit Committee	(Audit)
Investment Committee	(Inv)
Development Committee	(Dev))

Directors are elected or appointed by members of the Community Foundation, in four different membership categories, at the Annual General Meeting. The membership categories are:

- Category A - voluntary organisations
- Category B – individuals
- Category C - statutory authorities
- Category D - companies/businesses

Further Directors may be co-opted by decision of the Board.

The following is a list of directors who served during the year together with their membership of sub-committees at the year end.

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Joy Higginson – Deputy Chair to October 2003 then Chair from October 2003 elected 1997 by category A members, re-elected 2003	(Grants, F&GP)
Hugh Welch - Deputy Chair from October 2003 co-opted October 2001, elected 2003 by category D members	(F&GP, Dev)
Michael Worthington OBE – Deputy Chair from October 2003 co-opted October 2000 by category A members	(F&GP, Grants)
John Josephs – Treasurer from October 2003 elected October 2003 by category B members	(F&GP, Inv)
David Barker MBE elected October 2002 by category A members, resigned October 2003	
Sally Black MBE co-opted November 1999 by category A members	(Grants)
Sir Michael Blake Bt co-opted 2002 by category B members, resigned October 2003	
Steve Brown co-opted October 2000, elected 2001 by category D members	(Dev)
Pamela Denham CB DL co-opted October 2001 by category B members	(Dev, F&GP)
Sir Leslie Elton appointed October 2002 by category C members, resigned March 2004	
Alan Ferguson co-opted October 2000, elected 2001 by category D members	(Dev, Audit)
John Hamilton OBE co-opted 1994, elected 2002 by category B members, retired October 2003	
Robert Hollinshead - Chair to October 2003 co-opted 1999, elected October 2002 by category D members, retired October 2003	
Richard Maudslay co-opted October 2003 by category D members	(Dev)
Roy McLachlan appointed November 1999 by category C members to represent health authorities	(F&GP, Grants, Audit)
Parmjit Mattu elected October 2002 by category A members	(Grants)
John Mowbray co-opted October 2001 by category D members	(Dev)

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Chris Parkin co-opted April 2001 by category A members	(Grants)
Trevor Shears co-opted October 2003 by category B members	(Inv)
Shobha Srivastava co-opted October 2003 by category A members	(Grants)
John Squires OBE, DL appointed 2002 by category C members	(Audit, Inv)
Michael Spriggs co-opted October 2003 by category D members	(Dev)
Jane Streather elected October 2002 by category B members	(Grants)
Derek Tait Walker - Treasurer to October 2003 co-opted 1997, elected 1998, re-elected 2001 by category B members, retired October 2003	
William Teasdale elected October 2002 by category B members	(F&GP, Dev, Inv)
Jan Worters co-opted October 2000, elected October 2002 by category A members,	(F&GP, Grants)

Retirement of directors

Members of the Board are elected for three years and may stand for re-election up to a maximum of three consecutive terms. Co-opted members serve until the next Annual General Meeting.

At the Annual General Meeting held on 16 October 2003, John Hamilton, Robert Hollinshead and Derek Tait Walker retired as Directors. Their distinguished service to the Board was marked by a presentation from their colleagues at their final Board meeting. In addition, David Barker and Sir Michael Blake resigned during the year.

At the Annual General Meeting to be held in October 2004, Pummi Mattu (category A), Jane Streather (category B) and Alan Ferguson (category D) retire by rotation and are eligible for re-election. Roy McLachlan and John Squires, who are appointed by category C members, also retire and are eligible for reappointment.

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Annual report for the year ended 31 March 2004 (continued)

Advisors

Independent Auditors

PricewaterhouseCoopers LLP
89 Sandyford Road
Newcastle upon Tyne
NE99 1PL

Bankers

Barclays Bank plc
Newcastle Corporate Services
Barclays House
71 Grey Street
Newcastle upon Tyne
NE99 1LG

Investment Managers

Investec Asset Management
2 Gresham Street
London
EC2V 7QP

Solicitors

Stanton Croft
1 & 2 Lansdowne Terrace East
Gosforth
Newcastle upon Tyne
NE3 1HL

Registered office

Cale Cross
156 Pilgrim Street
Newcastle upon Tyne
NE1 6SU

Aims, activities and grant making policy

The Community Foundation provides a service to individuals, companies, statutory agencies and trusts who want to support the local community, by managing charitable funds on their behalf. Such funds are either held as endowment with income available annually for distribution in grants or as revenue funds, which donors replenish each year. With these funds, the Community Foundation makes grants to a wide range of charitable groups who apply for assistance. Applications for assistance are assessed by staff and then considered by a grants committee ensuring any relevant criteria is met, with final approval by the Grants Strategy Committee on behalf of the Board on a fortnightly basis. The Board agrees policies to meet these aims and sets performance targets annually. During the year, the Board also considered a five year plan which was agreed shortly after the year end. The Community Foundation continually seeks new supporters to establish funds at the Community Foundation in order to increase philanthropic funds available to benefit the local community.

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Review of the activities and future developments

The Community Foundation awarded £7m in grants to voluntary organisations during the year which represented an increase of £1.5 million from the previous year. This was mainly due to increased budgets for Included Communities Fund and Local Network Funds, which awarded over £1m each during the year. 2500 groups received grants – an increase from 1900 the previous year. 250 grants were for £5,000 or more, 1200 grants were for between £1,000-£5,000 and 1050 were for amounts below £1,000.

New endowment funds established during the year were the Patch Fund, Matt and Anya Ridley Fund, the Muriel Campbell Fund and the I'Anson Fund. Major donations were received to add to existing funds including P&G, the Linden Fund and the Sage Gateshead Fund. The Community Foundation also received the assets of the former John Bell Charitable Trust to establish the John Bell Fund. The Community Foundation continued initiatives on men's health and homelessness amongst young people and started a venture philanthropy initiative.

Organisation

The Annual General meeting was held on 16 October 2003 at Sunderland Sikh Association Community Hall in Sunderland and included a presentation from Open Clasp Theatre on teenage pregnancy, which had been funded by the Community Foundation.

There are four meetings each year of the full Board, which receive reports from the sub committees. The Chief Executive is responsible for implementing Board policies, and is supported by executive directors, responsible for grant making, finance, donor relations and development.

Members of the Board act in a voluntary capacity and do not receive any remuneration. The honorary officers have considerable day to day involvement in the Community Foundation's affairs.

Board members gratefully acknowledge support and involvement from members of grants panels and sub committees.

The Community Foundation administers the Sponsors Club for Arts and Business, which promotes business involvement in the arts. It also manages the Evening Chronicle Sunshine Fund and Tiny Lives which both raise funds from the general public under the Community Foundation's auspices.

The Community Foundation gratefully acknowledges support received during the year from members who hosted events or provided help in kind including:- John & Kitty Anderson, Coutts, Dickinson Dees, East End Pool, Gateshead Civic Centre, Investec Asset Management, Dimitar Ivanov, Northumbria Police, Northumbria University, Offshore Energy Centre, Rensburg, Robert Muckle, Ryder HKS, Tait Walker, Ward Hadaway and Yorkshire Bank.

Investment

The memorandum provides power of investment and the Community Foundation's assets are invested by the investment managers. The investment policy which was implemented in April 1999 is to obtain best "total return" and remit an agreed cash requirement to the Community Foundation. After careful consideration of market conditions, the cash requirement was set up at 6% for this financial year, of which 4.75% was available for grant making and 1.25% retained for administrative expenses. However, for the first year ever donors were given the option to reinvest in their endowment fund some or all of their income available for grant making.

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Investec Asset Management continued to manage the main, ethical and donated investment funds. The Investment Committee meet with Investec on a quarterly basis and monitor their performance in relation to a recognised charity benchmark. Clear guidelines have been agreed in relation to asset allocation and these are also reviewed by the Investment Committee on a quarterly basis or when the market has been particularly volatile.

The Community Foundation continued to hold a portfolio with Wise Speke and has facilities to hold funds at Gerrards for donors who prefer their investments to be held by these houses.

Financial position

The format of the annual accounts and accounting policies conform to current statutory requirements and comply with the Community Foundation's governing documents. Quoted investments are included in the accounts at market value rather than at cost. Unquoted investments are included at cost.

The Endowment Fund of the Community Foundation at 31 March 2004 stood at £23,081,997 increasing over the year by £4,397,915, comprising new donations and transfers of £1,146,241 and investment gains of £3,251,674. The Foundation has received indication of future gifts to the endowment fund amounting to approximately £2 million. Units in the main endowment fund were valued at £1.42 at the year end (2003 : £1.22), showing an increase in value of 16% over the year.

The Community Foundation is also the sole trustee of the Joseph Brough Charitable Trust and Tyne & Wear Foundation Trust which both have permanent endowment funds. Including these endowment funds the total assets received or pledged to the endowment fund totalled £25 million at the year end.

Reserves

The Statement of Financial Activities shows the movement in the year of the Community Foundation's 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. Of the Unrestricted Funds balance at 31 March 2004 of £482,419 an amount of £295,700 is set aside for Income Funds and the balance of £186,719 (2003: £123,359) as a general reserve available to meet future administration and development expenditure. The Board regularly reviews financial risks and commitments to assess the minimum level of reserves that the Foundation would need to wind up its operations if necessary and the Board's policy is to establish reserves that will sufficiently cover these costs. A review was carried out in March 2004 and as a result of this review the directors have set a minimum level of general reserves of £180,000.

Other information

The Community Foundation is sole trustee of a charity (Tyne & Wear Foundation Trust) established specifically to receive gifts of permanent endowments. This Trust holds assets of £18,883 at the year end (2003:£19,375).

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The Community Foundation is also sole trustee of Joseph Brough Charitable Trust which makes grants in the historic counties of Northumberland and Durham. The Trust holds assets of £899,941 at the year end (2003: £746,554).

The Community Foundation has a wholly owned trading subsidiary Tyne & Wear Foundation Limited, which carries out non charitable trading activities. The company made an operating profit of £53,624 for the financial year and this has been gift aided in its entirety to the charity. At the year end the company held assets of £100 (2003: £100).

The consolidated accounts of the Community Foundation include the above two charities and the trading company.

The Foundation works closely with neighbouring community foundations serving Durham, Cleveland and Cumbria and is a member of Community Foundation Network. The Chief Executive retired as Chair of Community Foundation Network during the year but continues to be a Director.

Tangible fixed assets

The movement in tangible fixed assets is shown in note 5 to the accounts.

Cash management

In November 2003 some of the cash holdings were transferred from an at call account with Investec Asset Management to a deposit account with Bank of Scotland and a term deposit with Newcastle Building Society.

Risk management

The directors have updated a detailed review of the major strategic, technological, human resources, legal and regulatory and financial risks that the Charity faces and have prioritised these risks in terms of likelihood of occurrence and potential level of impact. Internal controls have been reviewed to ensure that the risks are minimised and an action plan has been drawn up identifying additional treatments required to mitigate the risks. The executive staff will monitor the risks and treatments and will report directly to the Audit Committee on a six monthly basis. The Board carries out a full review of risks and controls on an annual basis. A risk register is maintained at the Foundation's premises.

Directors' responsibilities

The directors are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the group and the incoming resources and application of resources, including the net income or expenditure, of the group for the year. In preparing those financial statements, the directors are required to:

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

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The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and the group and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



Hugh Welch
Deputy Chair

14 September 2004

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

Independent auditors' report to the members of Community Foundation serving Tyne & Wear and Northumberland

We have audited the financial statements which comprise the consolidated statement of financial activities, the consolidated income and expenditure account, the balance sheets, the consolidated cash flow statement and the related notes which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors also act as trustees for the charitable activities of Community Foundation serving Tyne & Wear and Northumberland. Their responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

Basis of audit 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable 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 that 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 charitable company's and group's affairs at 31 March 2004 and of its net incoming resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
Newcastle upon Tyne

14 September 2004

Community Foundation
serving Tyne & Wear and Northumberland

**Consolidated statement of financial activities
for the year ended 31 March 2004**

	Note	Unrestricted funds	Restricted funds	Endowment funds	Total 2004	Total 2003
		£	£	£	£	£
Incoming resources						
Donations		493,153	2,163,695	1,140,962	3,797,810	4,958,973
Legacies		-	-	41,800	41,800	20,000
Activities for generating funds						
Investment income		371,656	710,605	-	1,082,261	1,193,100
Interest receivable		84,882	17,249	-	102,131	122,307
Activities in furtherance of the charity's objects:						
Grants from public bodies		30,304	4,789,353	-	4,819,657	2,739,535
Grants management		-	-	-	-	423
Consultancy		-	-	-	-	18,793
Total incoming resources		979,995	7,680,902	1,182,762	9,843,659	9,053,131
Resources expended						
Charitable expenditure:						
Costs of activities in furtherance of the charity's objects						
Grants	1	429,441	6,535,735	-	6,965,176	5,608,737
Sponsors' club activities		-	128,796	-	128,796	135,355
Support costs - grants administration		534,226	137,204	-	671,430	543,922
Outreach costs		-	160,472	-	160,472	103,376
Management and administration		68,117	119	-	68,236	70,675
		1,031,784	6,962,326	-	7,994,110	6,462,065
Cost of generating funds:						
Development costs		249,564	-	-	249,564	235,944
Total resources expended	3	1,281,348	6,962,326	-	8,243,674	6,698,009
Net incoming/(outgoing) resources before transfers		(301,353)	718,576	1,182,762	1,599,985	2,355,122
Transfers between funds	10	461,997	(425,476)	(36,521)	-	-
Net incoming resources		160,644	293,100	1,146,241	1,599,985	2,355,122

Community Foundation
serving Tyne & Wear and Northumberland

Statement of financial activities
for the year ended 31 March 2004 (continued)

	Notes	Unrestricted funds	Restricted funds	Endowment funds	Total 2004	Total 2003
		£	£	£	£	£
Net incoming resources		160,644	293,100	1,146,241	1,599,985	2,355,122
Taxation	8	-	-	-	-	(74,703)
Net incoming resources after transfers and taxation		160,644	293,100	1,146,241	1,599,985	2,280,419
Gains/(losses) on investment assets						
Realised		-	117,576	785,458	903,034	(3,592,700)
Unrealised		-	39,006	2,466,216	2,505,222	(2,745,082)
Net movement in funds		160,644	449,682	4,397,915	5,008,241	(4,057,363)
Fund balances brought forward at 1 April 2003		321,775	1,694,160	18,684,082	20,700,017	24,757,380
Fund balances carried forward at 31 March 2004		482,419	2,143,842	23,081,997	25,708,258	20,700,017

All of the above results are derived from continuing operations. All gains and losses which were incurred in the year are included above.

Community Foundation
serving Tyne & Wear and Northumberland

**Consolidated income and expenditure account
for the year ended 31 March 2004**

	Note	2004	2003
		£	£
Income – continuing operations			
Donations		2,656,848	2,788,905
Investment income		1,082,261	1,193,100
Grants from public bodies		4,819,657	2,689,535
Interest receivable		102,131	122,307
Other income		-	19,216
		8,660,897	6,813,063
Expenditure – continuing operations			
Grants	1	6,965,176	5,608,737
Staff costs	2	636,968	595,301
Other costs		641,530	493,971
		8,243,674	6,698,009
Net surplus for the year before transfers, investment asset disposals and taxation			
		417,223	115,054
Transfer from/(to) endowment fund		36,521	(170,000)
Realised gains on investments		117,576	58,378
Taxation	8	-	(74,703)
Net surplus/(deficit) for the year		571,320	(71,271)

The total income of £8,660,897 comprises £979,995 for unrestricted funds and £7,680,902 for restricted funds as shown in the statement of financial activities. The total expenditure of £8,243,674 comprises £1,281,348 for unrestricted funds and £6,962,326 for restricted funds as shown in the statement of financial activities.

Community Foundation
serving Tyne & Wear and Northumberland

Balance sheets as at 31 March 2004

	Note	Group 2004 £	Group 2003 £	Charity 2004 £	Charity 2003 £
Fixed assets					
Endowment fund investments	4	23,150,437	18,645,494	22,268,924	17,930,280
Investments	4	425,779	316,774	425,879	316,874
Tangible assets	5	31,434	35,191	31,434	35,191
		23,607,650	18,997,459	22,726,237	18,282,345
Current assets					
Debtors	6	37,024	52,508	90,648	54,258
Cash on short term deposit		1,162,152	176,320	1,162,152	176,320
Cash at bank and building society		2,166,465	2,810,200	2,075,467	2,752,026
Total current assets		3,365,641	3,039,028	3,328,267	2,982,604
Creditors: amounts falling due within one year	7	(1,265,033)	(1,336,470)	(1,265,070)	(1,330,861)
Net current assets		2,100,608	1,702,558	2,063,197	1,651,743
Total assets less current liabilities		25,708,258	20,700,017	24,789,434	19,934,088
Capital funds					
Endowment fund	9	23,081,997	18,684,082	22,181,691	17,930,280
Income funds	10				
Unrestricted		482,419	321,775	482,419	321,775
Restricted		2,143,842	1,694,160	2,125,324	1,682,033
Total funds	11	25,708,258	20,700,017	24,789,434	19,934,088

The accounts on pages 10 to 35 were approved by the Board on 14 September 2004 and were signed on their behalf by:


Hugh Welch

Deputy Chair


John Josephs

Treasurer

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serving Tyne & Wear and Northumberland

Consolidated cashflow statement for the year ended 31 March 2004

	Note	Group 2004 £	Group 2003 £
Net cash outflow from operating activities	15	(804,893)	(1,506,170)
Returns on investments and servicing of finance			
Investment income		1,082,261	1,193,100
Interest receivable		102,131	122,307
		1,184,392	1,315,407
Capital expenditure and financial investment			
Payments to acquire fixed assets		(14,472)	(5,172)
Proceeds from sale of tangible fixed assets		-	869
Purchase of investments		(17,081,760)	(18,220,490)
Proceeds from sale of investments		15,876,068	15,712,633
		(1,220,164)	(2,512,160)
Management of liquid resources			
(Increase)/decrease in short term deposits		(985,832)	2,996,501
Financing			
Receipts of Endowment Funds		1,182,762	2,190,068
(Decrease) /increase in cash in year	15	(643,735)	2,483,646

Analysis of net funds

	1 April 2003 £	Cashflow £	31 March 2004 £
Cash at bank and in hand	2,810,200	(643,735)	2,166,465
Short term deposits	176,320	985,832	1,162,152
Net funds	2,986,520	342,097	3,328,617

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Accounting Policies

Basis of preparation

The accounts have been prepared under the historical cost convention as modified by the revaluation of listed investments, and in accordance with applicable accounting standards, including the Statement of Recommended Practice (SORP): Accounting and Reporting by Charities published in October 2000 and the Companies Act 1985. The statement of financial activities (SOFA), Income and Expenditure Account and Balance Sheet consolidate the accounts of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis. No separate SOFA has been presented for the charity alone as permitted by section 230 of the Companies Act 1985 and paragraph 304 of the SORP.

The charity has availed itself of Paragraph 3(3) of Schedule 4 of the Companies Act 1985 and adapted the Companies Act formats to reflect the special nature of the charity's activities.

Listed and unlisted investments

Listed investments are stated at market value as at 31 March 2004.

Unlisted investments are quoted at cost. Freehold property is stated at directors' estimate of market value. The freehold property was revalued by the directors in September 2002 and the directors still consider this to be a reasonable value. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

Group financial statements

These financial statements consolidate the results of the charity and its wholly-owned subsidiaries, The Joseph Brough Charitable Trust, Tyne & Wear Foundation Limited, Tyne & Wear Foundation Trust, on a line by line basis.

Grant commitments

Grants payable are charged in the year when the offer is 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.

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

Fixed asset investments, including property, are included at market value at the balance sheet date. Any gain or loss on revaluation is taken to the SOFA.

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. Staff and other overhead costs have been allocated to the headings under Other Expenditure on the basis of time spent by staff on these activities.

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Accounting Policies (continued)

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.

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.

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.

In accordance with this policy, 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.

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.

Fund accounting

Funds held by the charity are:

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

Restricted funds: these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

Investment income is allocated to the income funds on a "total return" basis.

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Notes to the accounts
for the year ended 31 March 2004

1 Grants

	2004 £	2004 Number	2003 £	2003 Number
Grants approved for payment:				
Other charities & voluntary organisations	6,941,400	2,190	5,620,226	1,741
Individuals	100,534	223	77,855	159
Grants cancelled	(76,758)	-	(89,344)	-
	6,965,176	2,413	5,608,737	1,900

Grants approved for payment are analysed as follows

	2004 £	2004 Number	2003 £	2003 Number
Community & Learning Chests	1,940,954	851	1,203,144	636
The Henry Smith Charity	1,008,075	43	1,155,633	47
Included Communities Fund	1,042,234	113	660,447	30
Local Network Fund	1,172,198	279	688,713	166
Other Community Foundation Funds	1,878,473	1,127	1,990,144	1,021
	7,041,934	2,413	5,698,081	1,900

Details of grants are listed in note 16.

2 Staff costs

Staff costs comprise the following:	2004 £	2003 £
Salaries	564,348	533,108
Social security costs	54,996	47,060
Other pension costs	17,624	15,133
	636,968	595,301

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

2 Staff costs (Continued)

The average number of employees, excluding directors, employed by the group during the year was 27 (2003: 27). This comprises 21 staff working on general Community Foundation activities and 6 working on specific projects.

None of the directors received any remuneration during the year (2003: Nil). Three of the directors received reimbursements for expenses during the year (2003: 2). The total of the reimbursements amounted to £619 (2003: £376).

No employees received emoluments during the year over £50,000.

3 Total resources expended

	Grants	Staff Costs	Outreach Costs	Direct Fund Expenses	Other Allocated Costs	2004	2003
	£	£	£	£	£	£	£
Development costs	-	147,675	-	-	101,889	249,564	235,944
Grants	6,965,176	-	-	-	-	6,965,176	5,608,737
Sponsors' Club	-	72,784	-	56,012	-	128,796	135,355
Grants administration	-	375,400	160,472	66,176	229,854	831,902	647,298
Management and administration	-	41,109	-	-	27,127	68,236	70,675
Total resources expended	6,965,176	636,968	160,472	122,188	358,870	8,243,674	6,698,009

Net surplus for the year before transfers and investment asset disposals is stated after charging or crediting the following:

	2004	2003
	£	£
Auditors' remuneration	1,100	1,100
Operating lease rentals – land and buildings	41,993	38,666
Depreciation	18,229	22,414

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (Continued)

4 Investments

Endowment fund investments - Group

	Listed investments	Deposit & other cash balances	Freehold property	Total
At valuation	£	£	£	£
At 31 March 2003	17,363,469	1,232,024	50,001	18,645,494
Additions/(deductions) in the year	17,227,469	(478,708)	-	16,748,761
Disposals in the year	(15,613,068)	-	-	(15,613,068)
Realised gains arising in the year	903,034	-	-	903,034
Unrealised gains arising in the year	2,466,216	-	-	2,466,216
At 31 March 2004	22,347,120	753,316	50,001	23,150,437
At cost				
At 31 March 2004	19,629,852	753,316	19,001	20,402,169
At 31 March 2003	19,244,542	1,232,024	19,001	20,495,567

Other investments - Group

	Listed investments	Deposit & other cash balances	Total
At valuation	£	£	£
At 31 March 2003	316,774	-	316,774
Additions in the year	246,967	86,032	332,999
Disposals in the year	(263,000)	-	(263,000)
Unrealised gains arising in the year	39,006	-	39,006
At 31 March 2004	339,747	86,032	425,779
At cost			
At 31 March 2004	380,314	86,032	466,346
At 31 March 2003	543,058	-	543,058

Listed investments are detailed as follows:-

	2004 Market Value £	2003 Market Value £
UK Fixed Interest	2,346,174	2,480,615
UK Investment Schemes	601,879	887,050
UK Equities	15,024,664	10,927,636
Overseas Equities	4,714,150	3,384,942
	22,686,867	17,680,243

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (Continued)

4 Investments (continued)

Endowment fund investments - Charity

	Listed investments £	Deposit & other cash balances £	Freehold property £	Total £
At valuation				
At 31 March 2003	16,648,255	1,232,024	50,001	17,930,280
Additions/(deductions) in the year	16,798,084	(478,708)	-	16,319,376
Disposals in the year	(15,085,902)	-	-	(15,085,902)
Realised gains arising in the year	773,483	-	-	773,483
Unrealised gains arising in the year	2,331,687	-	-	2,331,687
At 31 March 2004	21,465,607	753,316	50,001	22,268,924
At cost				
At 31 March 2004	18,872,262	753,316	19,001	19,644,579
At 31 March 2003	18,490,836	1,232,024	19,001	19,741,861

Other investments - Charity

	Unlisted investments £	Listed investments £	Cash £	Total £
At valuation				
At 31 March 2003	100	316,774	-	316,874
Additions in the year	-	246,967	86,032	332,999
Disposals in the year	-	(263,000)	-	(263,000)
Unrealised gains arising in the year	-	39,006	-	39,006
At 31 March 2004	100	339,747	86,032	425,879
At cost				
At 31 March 2004	100	380,314	86,032	466,446
At 31 March 2003	100	543,058	-	543,158

Listed investments are detailed as follows:-

	2004 Market Value £	2003 Market Value £
UK Fixed Interest	2,269,207	2,376,677
UK Investment Schemes	532,758	845,656
UK Equities	14,492,484	10,498,479
Overseas Equities	4,510,905	3,244,217
	21,805,354	16,965,029

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

4 Investments (continued)

Listed investments under other investments are all listed on the London Stock Exchange.

Unlisted investments held by the charity relate to £100 (2003: £100) investment in the subsidiary company Tyne & Wear Foundation Limited at cost.

At 31 March 2004, the charity owned all of the ordinary share capital, consisting of 100 ordinary shares, of Tyne & Wear Foundation Limited, a company registered in the England and Wales which raises funds through trading activities.

There are no investments which comprise more than 5% of the total market value of investments at 31 March 2004.

5 Tangible fixed assets

Group and Charity

	Furniture & equipment	Other improvements	Total
	£	£	£
Cost			
At 31 March 2003	153,450	21,547	174,997
Additions	14,472	-	14,472
Disposals	-	(1,278)	(1,278)
At 31 March 2004	167,922	20,269	188,191
Depreciation			
At 31 March 2003	130,031	9,775	139,806
Charge for the year	18,229	-	18,229
Disposals	-	(1,278)	(1,278)
At 31 March 2004	148,260	8,497	156,757
Net book value			
At 31 March 2004	19,662	11,772	31,434
At 31 March 2003	23,419	11,772	35,191

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (Continued)

6 Debtors

	Group 2004 £	Group 2003 £	Charity 2004 £	Charity 2003 £
Amounts due from subsidiary undertaking	-	-	53,624	1,750
Sundry debtors	7,015	26,855	7,015	26,855
Dividends and interest receivable	17,436	-	17,436	-
Prepayments	12,573	25,653	12,573	25,653
	37,024	52,508	90,648	54,258

7 Creditors: Amounts falling due within one year

	Group 2004 £	Group 2003 £	Charity 2004 £	Charity 2003 £
Amounts due to subsidiary company	-	-	37	37
Millennium Commission grants programme	11,580	11,560	11,580	11,560
Taxation	-	74,703	-	74,703
Sundry creditors and accruals	162,332	84,169	162,332	84,022
Grants payable	1,064,121	1,130,456	1,064,121	1,124,956
Deferred income	27,000	35,582	27,000	35,583
	1,265,033	1,336,470	1,265,070	1,330,861

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (Continued)

8 Taxation

As registered charities, the Community Foundation, Joseph Brough Charitable Trust and Tyne & 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 s 256 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. Tyne & Wear Foundation Limited does not have charitable status, but had a nil overall profit for the year as all its operating profits are gift aided to the Community Foundation.

	2004 £	2003 £
Corporation tax payable	-	74,703

9 Endowment fund

As the Community Foundation is a limited company the endowment funds cannot for legal reasons have the legal status of "permanent endowment", but it is the policy of the directors to treat it in all respects as though they were permanent endowment. 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 & Wear Foundation Trust both hold permanently endowed funds.

Community Foundation

serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

10 Income funds

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 Board in consultation with people and companies who have set up funds within the Community Foundation for grants from their funds.

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.

The movement in the year on the restricted funds is tabulated over on pages 24 to 26.

General restricted funds

	At 1 April 2003	Income	Grants	Other outgoings and transfers	At 31 March 2004
	£	£	£	£	£
ABC Fund	13,306	3	-	13,306	3
Akzo International	17,188	14,189	16,498	1,250	13,629
Alcan	5,260	11,000	9,164	1,000	6,096
Amec	15,673	5,514	6,500	120	14,567
Anne Coleman	108,729	2,641	17,271	-	94,099
Anonymous	(33,279)	318,041	254,500	-	30,262
ARRIVA	2,911	6,000	5,335	-	3,576
Asylum Seekers	11,200	-	8,000	-	3,200
Baines	(49,271)	3,115	-	(48,388)	2,232
Nancy Barbour Award	(109)	4,193	-	5	4,079
Sir Jeremy Beecham Prize Fund	542	639	-	-	1,181
Barbara & Chris Beith	560	185	310	-	435
Bellingham	1,610	1,134	1,700	-	1,044
Berwick Community Support Fund	40	-	-	-	40
Big Appeal	5,200	100	-	-	5,300
Bird Family	280	1,737	1,175	-	842
Canford Audio	890	266	520	-	636
Carbon Neutral	18,100	67,890	225	1,395	84,370
Chapman Fund	3,554	18,103	15,900	-	5,757
Choysez	5,000	-	-	-	5,000
Community Arts Fund	232	-	-	-	232
Community Leaders	29,161	-	(1,901)	15,853	15,209
Community Ventures	-	35,850	-	(15,000)	50,850
Duncan & Sarah Davidson	1,036	1,998	2,492	-	542
Durham	-	1,813	-	-	1,813
Enact	50	-	(635)	-	685
Farne	19,930	9,539	10,750	-	18,719
Ferguson	21	2,683	1,300	-	1,404
Gateshead Community Chest	4,769	318,242	266,977	38,289	17,745
Gateshead Community Learning Chest	1,045	69,077	59,143	5,978	5,001
Geordie Jaunts	12,747	67	11,049	-	1,765
David Goldman Awards	-	21,446	21,446	-	-
Green Scheme	2,148	2,164	450	-	3,862
Grounds	3,030	-	200	-	2,830
Carried Forward	201,553	917,629	708,369	13,808	397,005

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (Continued)

10 Income Funds (continued)

	At 1 April 2003	Income	Grants	Other outgoings and transfers	At 31 March 2004
	£	£	£	£	£
Brought Forward	201,553	917,629	708,369	13,808	397,005
Hays Travel	-	5,000	500	500	4,000
Henry Smith Charity	423,651	798,483	943,833	30,000	248,301
Included Communities	(323)	1,145,240	1,036,580	64,906	43,431
Jackie Haq	2,038	1,069	1,600	126	1,381
Jim Smail Tree Fund	12,953	-	1,645	-	11,308
Josephs Family Fund	595	2,000	2,030	-	565
Journal Millennium	747	-	700	-	47
JP Morgan Fleming	1,706	1,765	3,000	-	471
Kellett	(39,075)	257,108	218,376	-	(343)
Lady Grey Memorial	277	90	300	-	67
Latterford Fund	75	769	600	-	244
Liam Cuffe	1,350	-	-	-	1,350
George Loggie Fund	3,758	2,002	4,000	-	1,760
Men's Health Fund	(345)	13,656	4,550	4,445	4,316
Men's Initiative Fund	-	50,000	38,000	2,698	9,302
NBS Members fund	-	771	373	-	398
Newcastle Community Chest	(8,074)	392,541	331,161	42,384	10,922
Newcastle Community Learning Chest	943	87,597	74,457	13,967	116
Mary & Enid Noble Trust Fund	153,128	30,000	9,126	-	174,002
North East E-Learning	-	96,154	75,000	-	21,154
North Tyneside	811	920	750	-	981
North Tyneside Community Chest	103	240,223	204,112	20,970	15,244
North Tyneside Community Learning Chest	(10,694)	66,183	46,904	10,319	(1,734)
Northumberland Group	861	2,296	-	-	3,157
Northumberland High Sheriff	771	18,180	19,700	(3,217)	2,468
Northumberland Local Network Fund	1,095	315,480	269,443	41,482	5,650
Northumbrian Water – Chill out scheme	50,000	50,000	28,224	5,000	66,776
Northumbria Probation	-	110	-	-	110
P&G Arts & Business Cards	6,083	-	5,298	-	785
People of Ward Hadaway in memory of Sue Watts	23	-	-	-	23
Percy Family	325	3,014	2,330	-	1,009
Readman Foundation	502,688	25,144	61,050	(153,280)	620,062
Roycroft Trust	2,470	3,195	4,827	45	793
The Sage Gateshead	-	218,659	218,659	-	-
Sammy Johnson Memorial Fund	5,250	88,533	7,268	22,222	64,293
Share	921	-	-	-	921
Sir Horace Heyman	3,619	2,096	2,768	10	2,937
Sir Tom Cowie	19,317	26,738	50,000	-	(3,945)
Smail Fund	497	1,476	1,350	-	623
Snowdrop	(12)	-	-	-	(12)
South Tyne Valley	3,526	46,274	34,890	-	14,910
South Tyneside	500	-	-	-	500
Carried Forward	1,343,111	4,910,395	4,411,773	116,385	1,725,348

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (Continued)

10 Income Funds (continued)

	At 1 April 2003 £	Income £	Grants £	Other outgoings and transfers £	At 31 March 2004 £
Brought forward	1,343,111	4,910,395	4,411,773	116,385	1,725,348
South Tyneside Community Chest	5,615	333,783	291,374	42,421	5,603
South Tyneside Community Learning Chest	(8,452)	84,370	62,162	11,718	2,038
Sponsors Club	21,319	213,625	44,767	128,796	61,381
Sunderland Community Chest	(3,855)	422,881	352,134	49,214	17,678
Sunderland Community Learning Chest	13	90,295	70,341	13,429	6,538
Evening Chronicle Sunshine Fund	164,137	154,952	122,189	54,571	142,329
Three Valleys	837	3,448	4,000	-	285
Tiny Lives	120,850	149,251	20,767	124,321	125,013
Tyne & Wear High Sheriff	2,877	18,991	18,200	23	3,645
Tyne & Wear Local Network Fund	1,012	1,019,344	902,477	108,221	9,658
Visage	930	597	900	-	627
Wansbeck Community Chest	725	162,487	138,114	18,176	6,922
Wansbeck Community Learning Chest	637	41,610	34,559	6,461	1,227
Ted Weekes Fund	8,690	4,566	13,197	10	49
UK Land Estates	-	4,750	4,250	500	-
Womens Fund	2,573	12,647	11,149	1,134	2,937
Young Musicians	970	4,683	4,252	15	1,386
Youthbank	20,044	23,443	10,856	19,971	12,660
Total Community Foundation	1,682,033	7,656,118	6,517,461	695,366	2,125,324
Restricted fund Joseph Brough Charitable Trust	11,514	25,300	18,274	119	18,421
Restricted fund Tyne & Wear Foundation Trust	613	(516)	-	-	97
Total Group	1,694,160	7,680,902	6,535,735	695,485	2,143,842

Other outgoings include charges for grantmaking, general administration, outreach costs, fund transfers and gains on investments. Tiny Lives and Northumberland High Sheriff include transfers to the endowment fund of £90,000 and £9,100 respectively. Since the year end the funds in deficit at 31 March 2004 have received sufficient funds to return them to credit.

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (Continued)

10 Income Funds (continued)

As well as general unrestricted funds the Community Foundation holds the following specific 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.

	At 1 April 2003 £	Income £	Grants £	Other outgoings £	At 31 March 2004 £
Anonymous	553	-	-	553	-
Anonymous	836	1,384	2,000	-	220
Bank of England	-	700	700	-	-
Bellway	3,118	906	2,100	-	1,924
Benfield Motors	-	887	-	-	887
Bonas	-	623	-	-	623
Bowey Fund	1,140	326	645	-	821
Carr-Ellison	(4)	7,628	6,335	-	1,289
Equitable Trust	2	10,000	10,000	-	2
Muscular Skeleto Fund	2,074	-	-	-	2,074
Garrod	895	132	-	-	1,027
HYPF	20,022	4,518	-	6,965	17,575
William Leech Charity	9,620	19,843	11,650	-	17,813
Leech Challenge	(5,173)	2,372	-	-	(2,801)
Linden Fund	10,021	10,000	10,050	-	9,971
Maudslay Family Fund	1,383	335	-	-	1,718
G S May Family Fund	928	3,877	2,015	-	2,790
Millburn	(2,100)	2100	100	-	(100)
Mitford Fund	-	534	-	-	534
NEBA	1,100	350	1,150	300	-
Newcastle Breweries	5,812	1,814	4,000	-	3,626
NBS Community Fund	8,294	107,834	86,922	10,308	18,898
Northern Electric	7,746	5,738	11,321	-	2,163
Northumbrian Water	7,898	2,866	7,457	-	3,307
NEMS Warehousing	7,582	16,746	1,000	22,328	1,000
PricewaterhouseCoopers	3,111	1,058	-	-	4,169
Proctor & Gamble	22,038	47,000	66,570	500	1,968
Pubmaster	-	9,000	5,400	600	3,000
Readman	3,014	1,649	3,540	-	1,123
Ridley Family Fund	-	44,111	29,765	4,000	10,346
Ringtons	7,111	2,796	5,282	-	4,625
Robert Muckle	(440)	51,678	20,000	-	31,238
Rolls Royce	1,755	845	2,000	-	600
Rowntree	11,490	9,606	14,000	-	7,096
St Cuthbert	3,621	718	2,000	-	2,339
Sage plc	33,553	95,000	60,757	-	67,796
J & T Smith	1,818	340	-	-	2,158
Universal Building Society	221	850	777	-	294
Vaux Breweries	1,639	6,256	4,000	-	3,895
Ward Hadaway	1,364	9,500	3,316	-	7,548
Watkin Challenge	4,069	-	-	4,069	-
Watkin Family	(1,858)	1,168	2,500	(4,069)	879
Willis Charitable Fund	1,504	820	-	-	2,324
Other general funds	22,659	115,063	52,089	26,692	58,941
	198,416	598,971	429,441	72,246	295,700

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (Continued)

10 Income Funds (continued)

Other outgoings include charges for grantmaking, general administration and fund transfers. A number of funds contribute to the Community Foundation's general unrestricted fund, including Ian and Jane Gregg, Greggs plc, Hugonin Family Trust, Sir James Knott Trust, Northern Rock plc, Templeton, Tyne Tees Television, Tolent, and two anonymous funds.

11 Analysis of group net assets between funds

	Unrestricted funds	Restricted funds	Endowment funds	2004 Total
	£	£	£	£
Investments	-	425,779	23,150,437	23,576,216
Tangible fixed assets	31,434	-	-	31,434
Current assets	587,303	2,759,545	18,793	3,365,641
Current liabilities	(136,318)	(1,041,482)	(87,233)	(1,265,033)
Total net assets	482,419	2,143,842	23,081,997	25,708,258

12 Financial commitments

At 31 March 2004 the group had annual commitments under non-cancellable operating leases as follows:

	Land & buildings 2004	Land & buildings 2003
	£	£
Expiry date:		
Within one year	-	10,627
Over five years	51,000	37,875
	51,000	48,502

13 Pensions

The Foundation contributes to a number of defined contribution pension schemes. The assets of the schemes are held separately from those of the Foundation in independently administered funds. The pension charge represents contributions by the Foundation to the funds and amounted to £17,624 (2003: £15,133). Outstanding contributions at 31 March 2004 were £1,113 (2003: £5,297).

Community Foundation

serving Tyne & Wear and Northumberland

Notes to the accounts (Continued)

14 Subsidiary company and charities

These accounts 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

The Joseph Brough Charitable Trust – sole trustee

Tyne & Wear Foundation Trust – sole trustee

As permitted by Section 230 of the Companies Act 1985 and paragraph 304 of the SORP, no separate statement of financial activities has been presented for the Community Foundation serving Tyne & Wear and Northumberland. The surplus generated in this entity for the year to 31 March 2004 amounted to £4,855,346.

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 fundraising events on behalf of the charity. The total net profit of the subsidiary is gifted to the Community Foundation. A summary of results of the subsidiary company is shown below:

	Total	Total
	2004	2003
	£	£
Turnover	75,582	-
Cost of sales	(21,958)	-
Operating profit	53,624	-

The aggregate of the assets, liabilities and funds was:

	Total	Total
	2004	2003
	£	£
Assets	53,724	100
Liabilities	(53,624)	-
Funds (representing 100 ordinary shares of £1 each)	100	100

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (Continued)

14 Subsidiary company and charities (continued)

The Community Foundation is sole trustee of The 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 The Joseph Brough Charitable Trust is shown below:

	Total	Total
	2004	2003
	£	£
Investment income	29,300	29,172
Charitable expenditure	(22,393)	(21,762)
Gains and losses on investments	146,480	(262,358)
Net movement in funds	153,387	(254,948)

The aggregate of the assets, liabilities and funds was:

	Total	Total
	2004	2003
	£	£
Assets	899,941	753,950
Liabilities	-	(7,396)
Funds	899,941	746,554

Represented by:

	Total	Total
	2004	2003
	£	£
Permanent endowment fund	881,520	735,040
Restricted funds	18,421	11,514
Funds	899,941	746,554

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (Continued)

14 Subsidiary company and charities (continued)

The Community Foundation is also sole trustee of Tyne & 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 & Wear Foundation Trust is shown below:

	Total	Total
	2004	2003
	£	£
Investment income	914	1,967
Charitable expenditure	(1,430)	(1,978)
Gains and losses on investments	24	(3,118)
Net movement in funds	(492)	(3,129)

The aggregate of the assets, liabilities and funds was:

	Total	Total
	2004	2003
	£	£
Assets	18,883	19,375
Liabilities	-	-
Funds	18,883	19,375

Represented by:

	Total	Total
	2004	2003
	£	£
Permanent endowment fund	18,786	18,762
Restricted funds	97	613
Funds	18,883	19,375

Community Foundation
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Notes to the accounts (Continued)

15 Cashflow information for the group

(a) Reconciliation of net incoming resources to net cash outflow

	2004 £	2003 £
Net incoming resources before revaluations	1,599,985	2,280,419
Investment income	(1,082,261)	(1,193,100)
Interest receivable	(102,131)	(122,307)
Receipts of endowment funds	(1,182,762)	(2,190,068)
Depreciation	18,229	22,414
Profit on sale of fixed assets	-	(133)
Decrease in debtors	15,484	195,246
Decrease in creditors	(71,437)	(498,641)
Net cash outflow from operating activities	(804,893)	(1,506,170)

(b) Reconciliation of net cashflow movement in net funds

	2004 £
Decrease/(increase) in cash in period	(643,735)
Increase in short term deposits	985,832
Movement in net funds in the year	342,097
Net funds at 1 April 2003	2,986,520
Net funds and debt at 31 March 2004	3,328,617

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Notes to the accounts (Continued)

16 Grants awarded

Grants awarded of over £7,000 to other charities & voluntary organisations:

Grantee	Amount £
AbilityNet	10,000
ADAPT	20,000
Age Concern Durham County	30,000
Age Concern North Tyneside	27,000
Age Concern North Tyneside	25,000
Age Concern Northumberland	20,000
Age Concern Sunderland	46,000
Allendale Medical Practice	8,000
Angelou Centre	10,000
Apna Ghar	15,000
Azaad	30,000
Bishop Auckland Community Partnership	15,000
Blackhall Mill Community Association	50,000
Blackhall Mill Community Association	50,000
Blakelaw and North Fenham Parish Council	14,000
Blyth Resource And Initiative Centre (BRIC)	20,000
Blyth Star Enterprises	13,000
Brunswick Young People's Project	13,333
Care Fund	13,250
Castle View School	8,000
Children North East	40,000
Children North East	13,056
Children North East (RAFT)	10,000
Choysez	20,000
Cleveland Housing Advice Centre	14,000
Cockerton & Branksome Living Enterprise Ltd	27,800
Community Campus 87	30,000
Computer Gym	49,314
Contact a Family	28,000
Creche Mobile Project	40,000
D2 Youth Zone Ltd	15,000
DIVA	10,000
East Cleveland Youth Housing Trust	25,000
East Durham Domestic Violence Forum	10,000
e-Learning Foundation	25,000
e-Learning Foundation	25,000
e-Learning Foundation	25,000
Employees Benevolent Fund	10,000
Equal Arts	30,000
Fairbridge in Tyne & Wear	10,000
Gateshead Pre-School Learning Alliance	18,900

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Notes to the accounts (Continued)

16 Grants awarded (continued)

Grantee	Amount £
Gateshead Youth Council	20,000
Gateshead Youth Organisation	20,000
Gateway into the Community	22,000
Grange Day Centre	19,000
Haltwhistle Bowling Club	10,000
Hartlepool Families First	26,500
Headland Future Ltd	20,000
International Centre For Life	10,000
KEY	31,000
Kids Kabin	35,000
Killingworth Community Consortium	13,334
Lawnmowers Independent Theatre Company	54,678
Lazarus Environmental	39,958
LINKS	15,000
Longbenton Youth Project	20,000
Marine Activities Centre	10,000
Meadow Well Community Resource Centre	35,000
Meadow Well Community Resource Centre	9,481
Meadow Well Community Resource Centre	25,000
Naqshbandia Aslamiyya Trust	14,722
New Beginnings (Gateshead) Ltd	50,000
New Beginnings (Gateshead) Ltd	25,000
Newcastle Primary Care Trust	30,000
Newcastle YMCA	15,000
North Benwell Black Residents Support Group	40,000
North Benwell Black Residents Support Group	25,000
North Music Trust	50,018
North Music Trust	54,570
North Music Trust	50,000
North Music Trust	60,363
Northern Centre for Cancer Treatment	62,500
Northern Centre for Cancer Treatment	62,500
Northern Centre for Cancer Treatment	62,500
Northern Centre for Cancer Treatment	62,500
Northern Oak Credit Union	25,000
Northumberland Wild Life Trust	13,500
Northumbria Coalition Against Crime	25,000
Owton Fens Community Association	64,000
Pallion Action Group	20,000
PANAH	30,000
Pelton Fell Community Group	25,000
Percy Hedley Foundation	30,000
Plains Farm and Humbleton Community Initiative	15,000

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Notes to the accounts (Continued)

16 Grants awarded (continued)

Grantee	Amount £
Point - Blyth Young People's Centre	30,000
Rehab UK	12,800
Riverside Community Health Project	25,000
Roshni (Asian Women's Association)	20,000
Rowlands Gill & District Live at Home Scheme	23,000
Royal Grammar School	10,000
SixtyEightyThirty	30,000
Skills For People	13,700
South Tyneside Bangladeshi Youth Organisation	22,205
South Tyneside Citizens Advice Bureau	25,000
South Tyneside Council for Voluntary Service	15,000
South Tyneside Council for Voluntary Service	13,333
South Tyneside Enterprises Ltd	20,000
Southwick Neighbourhood Youth Project	25,000
St Chad's Community Project	15,600
St Cuthberts Care	10,000
St Oswalds Hospice (Children's Service)	30,000
St Peters Parish Centre	20,000
Streetwise	20,000
Sunderland Carers' Centre	22,500
Sunderland Maritime Heritage	14,821
Toby Henderson Trust	30,000
Thomas Gaughan Community Association	14,457
Wansbeck CVS	21,500
Wansbeck Toy Library	15,000
Wayout in Gateshead	25,000
Wearmouth Community Development Trust	25,000
West End Refugee Service	16,200
West Harton Churches Action Station	25,000
West Harton Churches Action Station	8,000