

Community Foundation

serving Tyne & Wear and Northumberland

(A company limited by guarantee)

Directors' report and accounts for the year ended 31 March 2005

Registered company number 2273708

Registered charity number 700510



Community Foundation

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Community Foundation

serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2005

Introduction

The following information about the financial year 2004/2005 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 2005 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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Annual report for the year ended 31 March 2005 (continued)

Joy Higginson –Chair to October 2004, died December 2004
elected 1997 by category A members, re-elected 2003

Hugh Welch - Chair from November 2004
co-opted October 2001, elected 2003 by category D members (F&GP,Dev)

Michael Worthington OBE – Deputy Chair
co-opted October 2000 by category A members (F&GP,Grants)

John Josephs – Treasurer (F&GP, Inv)
elected October 2003 by category B members

Sally Black MBE
co-opted November 1999 by category A members (Grants)

Steven Brown
co-opted October 2000, elected 2001 by category D members (Dev)

Lisa Charlton
elected October 2004 by category A members (Grants)

Pamela Denham CB DL
co-opted October 2001 by category B members (Dev, F&GP)

Alan Ferguson
co-opted October 2000, re-elected 2004 by category D members (Dev, Audit)

John Marsden
co-opted 2004 by category C members to represent local authorities, resigned May 2005

Parmjit Mattu
elected October 2002, re-elected 2004 by category A members (Grants)

Richard Maudslay (Dev)
co-opted October 2003 by category D members

Roy McLachlan (F&GP, Grants, Audit)
appointed November 1999, re-elected 2004 by category C members to represent health authorities

John Mowbray
co-opted October 2001 by category D members (Dev)

Chris Parkin
co-opted April 2001 by category A members, resigned November 2004

Trevor Shears
co-opted October 2003 by category B members (Inv)

Michael Spriggs (Dev)
co-opted October 2003 by category D members

John Squires OBE, DL (Audit, Inv)
appointed 2002, re-elected 2004 by category C members

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Annual report for the year ended 31 March 2005 (continued)

Shobha Srivastava co-opted October 2003 by category A members	(Grants)
Jane Streather elected October 2002, re-elected 2004 by category B members	(Grants)
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,	(Grants)

The Directors wish to record their appreciation of the services of Joy Higginson who died in December 2004. She was elected to the Board in 1997 and served as Chair for 2004-05 and her contributions to the work of the Community Foundation are greatly missed.

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 14 October 2004, Parmijit Mattu , Jane Streather and Alan Ferguson retired by rotation and were re-elected. Roy McLachlan and John Squires retired and were also re-elected.

At the Annual General Meeting to be held in October 2005, William Teasdale (category B) and Steven Brown (category D) retire by rotation and are eligible for re-election. A category A director will be elected at the Annual General Meeting to replace Joy Higginson. Roy McLachlan and John Squires, who are appointed by category C members, also retire and are eligible for reappointment. Co-opted members of the Board also retire at the Annual General Meeting and may be re-co-opted by the elected members.

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

Annual report for the year ended 31 March 2005 (continued)

Advisors

Independent Auditors

PricewaterhouseCoopers LLP
89 Sandyford Road
Newcastle upon Tyne
NE1 8HW

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

Wise Speke
Commercial Union House
39 Pilgrim Street
Newcastle upon Tyne
NE1 6RQ

Solicitors

John O'Neill & Co.
8 Portland Terrace
Jesmond
Newcastle upon Tyne
NE2 1QQ

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

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on behalf of the Board on a fortnightly basis. The Board agrees policies to meet these aims and sets performance targets annually, based on a five year plan agreed in 2004. 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.

Review of the activities and future developments

The Community Foundation awarded £7.5m in grants to voluntary organisations during the year (2004:£7.0m). For details on grants approved during the year see note 1 to the accounts.

New endowment funds established during the year were the Asian, Acton Evangelical, HSBC, Northern Angel, Jane Robertson, Speker family, Alison Greenlees Continuation, Roland Cookson and Abbott Memorial funds. Major donations were received to add to existing funds including P&G, Linden Fund, Patch Fund and the Sage Gateshead Fund. The Sage Gateshead Fund received £6million from the Sage Group plc when the building opened in December 2004. The Community Foundation continued initiatives on men's health and homelessness amongst young people and commissioned research on future funding of the voluntary sector.

Organisation

The Annual General meeting was held on 14 October 2004 at Discovery Museum in Newcastle and included a debate on health chaired by Mike Parr from BBC Radio Newcastle.

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. There is a strict understanding that members of the Board are not involved in discussing applications in which they have a personal or professional interest.

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:- BLP Print, J. Barbour & Sons, Peter & Sandra Beardsley, Dickinson Dees, Dimitar Ivanov, Jonsigns, Newcastle University, Duke of Northumberland, Northumbria Police, Potts Printers, Reed Print & Design, The Sage Gateshead, Sir Humphry Wakefield and Ward Hadaway.

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 donors are given the option to reinvest in their endowment fund some or all of their income available for grant making.

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

Annual report for the year ended 31 March 2005 (continued)

Investec Asset Management continued to manage ethical, donated investment funds and part of the main fund, the remainder of which is managed by Wise Speke. The Investment Committee meet with Investec and Wise Speke 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 facility at Gerrards for donors who prefer their investments to be held there.

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 (group) at 31 March 2005 stood at £33,151,873 increasing over the year by £10,069,900 comprising mainly new donations of £8.7m, and net investment gains of £1.2m. Units in the Investec main endowment fund were valued at £1.49 at the year end (2004 : £1.42), and £0.82 (2004: £0.83) at Wise Speke.

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. Of the Unrestricted Funds balance at 31 March 2005 of £900,252 an amount of £584,296 is set aside for Income Funds and the balance of £315,956 (2004: £186,719) as a general reserve available to meet future administration and development expenditure. The Board's reserve policy is that reserves should be more than 3 months' administration running costs but not more than six months' running costs. The reserves figure at the year end amounted to approximately 4 months' running costs.

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 £301,688 at the year end (2004:£18,883).

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 £963,316 at the year end (2004: £899,941).

The Community Foundation has a wholly owned trading subsidiary Tyne & Wear Foundation Limited, which was set up to carry out non charitable trading activities. The company did not trade during this financial year. At the year end the company held assets of £100 (2004: £100).

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

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Annual report for the year ended 31 March 2005 (continued)

The Foundation works closely with neighbouring community foundations serving Durham, Teeside and Cumbria and is a member of Community Foundation Network. The Chief Executive; George Hepburn OBE continues to be a Director of Community Foundation Network.

Tangible fixed assets

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

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 monitor the risks and treatments and report directly to the Audit Committee. 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:

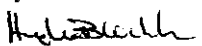
- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare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

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

Chair

15 September 2005

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.

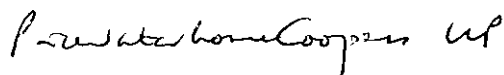
Basis of audit opinion

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 2005 and of the net incoming resources, including its income and expenditure and cash flows of the group, 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

15 September 2005

Community Foundation
serving Tyne & Wear and Northumberland

**Consolidated statement of financial activities
for the year ended 31 March 2005**

	Note	Unrestricted funds	Restricted funds	Endowment funds	Total 2005	Total 2004
		£	£	£	£	£
Incoming resources						
Donations		525,829	2,343,888	8,695,665	11,565,382	3,797,810
Legacies		22,992	-		22,992	41,800
Activities for generating funds						
Investment income		476,254	843,794	-	1,320,048	1,082,261
Interest receivable		138,144	21,206	-	159,350	102,131
Activities in furtherance of the charity's objects:						
Grants from public bodies		53,948	4,697,375	-	4,751,323	4,819,657
Total incoming resources		1,217,167	7,906,263	8,695,665	17,819,095	9,843,659
Resources expended						
Charitable expenditure:						
Costs of activities in furtherance of the charity's objects:						
Grants	1	369,771	7,113,751	-	7,483,522	6,965,176
Sponsors' club activities		-	137,716	-	137,716	128,796
Support costs - grants administration		509,508	105,199	-	614,707	671,430
Outreach costs		-	158,500	-	158,500	160,472
Management and administration		73,253	-	-	73,253	68,236
		952,532	7,515,166	-	8,467,698	7,994,110
Cost of generating funds:						
Development costs		240,203	-	-	240,203	249,564
Total resources expended	3	1,192,735	7,515,166	-	8,707,901	8,243,674
Net incoming resources before transfers		24,432	391,097	8,695,665	9,111,194	1,599,985
Transfers between funds	10	393,401	(593,892)	200,491	-	-
Net incoming/(outgoing) resources		417,833	(202,795)	8,896,156	9,111,194	1,599,985

Community Foundation
serving Tyne & Wear and Northumberland

**Consolidated statement of financial activities
for the year ended 31 March 2005 (continued)**

	Notes	Unrestricted funds	Restricted funds	Endowment funds	Total 2005	Total 2004
		£	£	£	£	£
Net incoming resources		417,833	(202,795)	8,896,156	9,111,194	1,599,985
Taxation	8	-	-	(10,730)	(10,730)	-
Net incoming resources after transfers and taxation		417,833	(202,795)	8,885,426	9,100,464	1,599,985
Gains/(losses) on investment assets						
Realised		-	(5,953)	(725,373)	(731,326)	903,034
Unrealised		-	41,022	1,909,847	1,950,869	2,505,222
Net movement in funds		417,833	(167,726)	10,069,900	10,320,007	5,008,241
Fund balances brought forward at 1 April 2004		482,419	2,143,866	23,081,973	25,708,258	20,700,017
Fund balances carried forward at 31 March 2005		900,252	1,976,140	33,151,873	36,028,265	25,708,258

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 2005**

	Note	2005	2004
		£	£
Income - continuing operations			
Donations		2,892,709	2,656,848
Investment income		1,320,048	1,082,261
Grants from public bodies		4,751,323	4,819,657
Interest receivable		159,350	102,131
		9,123,430	8,660,897
Expenditure - continuing operations			
Grants	1	7,483,522	6,965,176
Staff costs	2	691,650	636,968
Other costs		532,729	641,530
		8,707,901	8,243,674
Net surplus for the year before transfers, investment asset disposals and taxation			
		415,529	417,223
Transfer (to)/from endowment fund		(200,491)	36,521
Realised (losses)/gains on investments		(5,953)	117,576
Taxation	8	-	-
Net surplus for the year		209,085	571,320

The total income of £9,123,430 comprises £1,217,167 for unrestricted funds and £7,906,263 for restricted funds as shown in the statement of financial activities. The total expenditure of £8,707,901 comprises £1,192,735 for unrestricted funds and £7,515,166 for restricted funds as shown in the statement of financial activities.

Community Foundation
serving Tyne & Wear and Northumberland

Balance sheets as at 31 March 2005

	Note	Group 2005 £	Group 2004 £	Charity 2005 £	Charity 2004 £
Fixed assets					
Endowment fund investments	4	32,874,295	23,150,437	31,845,632	22,268,924
Investments	4	458,318	425,779	458,418	425,879
Tangible assets	5	36,529	31,434	36,529	31,434
		33,369,142	23,607,650	32,340,579	22,726,237
Current assets					
Debtors	6	199,228	37,024	197,989	90,648
Cash on short term deposit		1,328,431	1,162,152	1,328,431	1,162,152
Cash at bank and building society		2,523,917	2,166,465	2,291,558	2,075,467
Total current assets		4,051,576	3,365,641	3,817,978	3,328,267
Creditors: amounts falling due within one year	7	(1,392,453)	(1,265,033)	(1,395,296)	(1,265,070)
Net current assets		2,659,123	2,100,608	2,422,682	2,063,197
Total assets less current liabilities		36,028,265	25,708,258	34,763,261	24,789,434
Capital funds					
Endowment fund	9	33,151,873	23,081,973	31,904,140	22,181,691
Income funds	10				
Unrestricted		900,252	482,419	900,252	482,419
Restricted		1,976,140	2,143,866	1,958,869	2,125,324
Total funds	11	36,028,265	25,708,258	34,763,261	24,789,434

The accounts on pages 9 to 36 were approved by the Board on 15 September 2005 and were signed on their behalf by:



Hugh Welch

Chair



John Josephs

Treasurer

Community Foundation
serving Tyne & Wear and Northumberland

Consolidated cashflow statement for the year ended 31 March 2005

	Note	Group 2005 £	Group 2004 £
Net cash outflow from operating activities	15	(1,093,550)	(804,893)
Returns on investments and servicing of finance			
Investment income		1,320,048	1,082,261
Interest receivable		159,350	102,131
		1,479,398	1,184,392
Capital expenditure and financial investment			
Payments to acquire fixed assets		(20,928)	(14,472)
Purchase of investments		(26,687,381)	(17,081,760)
Proceeds from sale of investments		18,150,527	15,876,068
		(8,557,782)	(1,220,164)
Management of liquid resources			
Increase in short term deposits		(166,279)	(985,832)
Financing			
Receipts of Endowment Funds		8,695,665	1,182,762
Increase/(decrease) in cash in year		357,452	(643,735)

Analysis of net funds

	1 April 2004 £	Cashflow £	31 March 2005 £
Cash at bank and building society	2,166,465	357,452	2,523,917
Short term deposits	1,162,152	166,279	1,328,431
Net funds	3,328,617	523,731	3,852,348

Community Foundation

serving Tyne & Wear and Northumberland

Accounting Policies

Basis of preparation

The accounts have been prepared under the historical cost convention as modified by the revaluation of listed investments and freehold property, 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 2005.

Unlisted investments are quoted at cost. Freehold property is stated at directors' estimate of market value. One of the properties under freehold property was revalued by the directors in September 2002 and the directors still consider this to be a reasonable value. A property donated to the Community Foundation during the year was valued by property consultants in November 2004, and the directors still consider it 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 and 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.

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 is applied to the relevant restricted or unrestricted income funds.

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

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts
for the year ended 31 March 2005

1 Grants

	2005 £	2005 Number	2004 £	2004 Number
Grants approved for payment:				
Other charities & voluntary organisations	7,414,778	2,117	6,941,400	2,190
Individuals	113,947	252	100,534	223
Grants cancelled	(45,203)	-	(76,758)	-
	7,483,522	2,369	6,965,176	2,413

Grants approved for payment before deduction of cancelled grants are analysed as follows

	2005 £	2005 Number	2004 £	2004 Number
Community & Learning Chests	1,570,378	752	1,940,954	851
Change up	240,000	2	-	-
Fair Share	66,000	6	-	-
The Henry Smith Charity	1,045,500	36	1,008,075	43
Included Communities Fund	1,322,924	128	1,042,234	113
Local Network Fund	1,112,631	277	1,172,198	279
Other Community Foundation Funds	2,171,292	1,168	1,878,473	1,127
	7,528,725	2,369	7,041,934	2,413

Details of grants are listed in note 16.

2 Staff costs

Staff costs comprise the following:	2005 £	2004 £
Salaries	610,387	564,348
Social security costs	59,430	54,996
Other pension costs	21,833	17,624
	691,650	636,968

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 28 (2004: 27). This comprises 22 staff working on general Community Foundation activities and 6 working on specific projects.

None of the directors received any remuneration during the year (2004: Nil). Five of the directors received reimbursements for expenses during the year (2004: 3). The total of the reimbursements amounted to £682 (2004: £619).

During the year employees with emoluments over £50,000 were in the following band:	2005	2004
	Number	Number
£50,001 to £60,000	1	-

3 Total resources expended

	Grants £	Staff Costs £	Outreach Costs £	Direct Fund Expenses £	Other Allocated Costs £	2005 £	2004 £
Development costs	-	162,132	-	-	78,071	240,203	249,564
Grants	7,483,522	-	-	-	-	7,483,522	6,965,176
Sponsors' Club	-	86,575	-	51,141	-	137,716	128,796
Grants administration	-	390,178	158,500	68,099	156,430	773,207	831,902
Management and administration	-	52,765	-	-	20,488	73,253	68,236
Total resources expended	7,483,522	691,650	158,500	119,240	254,989	8,707,901	8,243,674

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

	2005 £	2004 £
Auditors' remuneration	4,000	1,100
Operating lease rentals – land and buildings	51,000	41,993
Depreciation	15,833	18,229

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

4 Investments

Endowment fund investments - Group

At valuation	Listed investments £	Deposit & other cash balances £	Freehold property £	Total £
At 31 March 2004	22,347,120	753,316	50,001	23,150,437
Additions in the year	25,614,120	861,966	154,000	26,630,086
Disposals in the year	(18,090,702)	-	-	(18,090,702)
Realised losses arising in the year	(725,373)	-	-	(725,373)
Unrealised gains arising in the year	1,909,847	-	-	1,909,847
At 31 March 2005	31,055,012	1,615,282	204,001	32,874,295
At cost				
At 31 March 2005	27,937,228	1,615,282	173,001	29,725,511
At 31 March 2004	19,629,852	753,316	19,001	20,402,169

Other investments - Group

At valuation	Listed investments £	Deposit & other cash balances £	Total £
At 31 March 2004	339,747	86,032	425,779
Additions/(deductions) in the year	89,445	(32,150)	57,295
Disposals in the year	(59,825)	-	(59,825)
Realised losses in the year	(5,953)	-	(5,953)
Unrealised gains arising in the year	41,022	-	41,022
At 31 March 2005	404,436	53,882	458,318
At cost			
At 31 March 2005	385,387	53,882	439,269
At 31 March 2004	380,314	86,032	466,346
Listed investments are detailed as follows:-		2005 Market Value £	2004 Market Value £
UK Fixed Interest		3,988,190	2,346,174
UK Investment Schemes		458,251	601,879
UK Equities		20,865,432	15,024,664
Overseas Equities		6,147,575	4,714,150
		31,459,448	22,686,867

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

4 Investments (continued)

Endowment fund investments - Charity

At valuation	Listed investments £	Deposit & other cash balances £	Freehold property £	Total £
At 31 March 2004	21,465,607	753,316	50,001	22,268,924
Additions/(deductions) in the year	24,961,482	861,966	154,000	25,977,448
Disposals in the year	(17,515,198)	-	-	(17,515,198)
Realised losses arising in the year	(716,006)	-	-	(716,006)
Unrealised gains arising in the year	1,830,464	-	-	1,830,464
At 31 March 2005	30,026,349	1,615,282	204,001	31,845,632
At cost				
At 31 March 2005	27,061,365	1,615,282	173,001	28,849,648
At 31 March 2004	18,872,262	753,316	19,001	19,644,579

Other investments - Charity

At valuation	Unlisted investments £	Listed investments £	Cash £	Total £
At 31 March 2004	100	339,747	86,032	425,879
Additions in the year	-	89,445	(32,150)	57,295
Disposals in the year	-	(59,825)	-	(59,825)
Realised losses in the year	-	(5,953)	-	(5,953)
Unrealised gains arising in the year	-	41,022	-	41,022
At 31 March 2005	100	404,436	53,882	458,418
At cost				
At 31 March 2005	100	385,387	53,882	439,369
At 31 March 2004	100	380,314	86,032	466,446

Listed investments are detailed as follows:-	2005 Market Value £	2004 Market Value £
UK Fixed Interest	3,825,209	2,269,207
UK Investment Schemes	448,122	532,758
UK Equities	20,211,550	14,492,484
Overseas Equities	5,945,904	4,510,905
	30,430,785	21,805,354

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 (2004: £100) investment in the subsidiary company Tyne & Wear Foundation Limited at cost.

At 31 March 2005, 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 fundraising events.

There are no investments which comprise more than 5% of the total market value of investments at 31 March 2005.

5 Tangible fixed assets

Group and Charity

	Furniture & equipment £	Office improvements £	Total £
Cost			
At 31 March 2004	167,922	20,269	188,191
Additions	20,928	-	20,928
At 31 March 2005	188,850	20,269	209,119
Depreciation			
At 31 March 2004	148,260	8,497	156,757
Charge for the year	13,806	2,027	15,833
At 31 March 2005	162,066	10,524	172,590
Net book value			
At 31 March 2005	26,784	9,745	36,529
At 31 March 2004	19,662	11,772	31,434

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

6 Debtors

	Group 2005 £	Group 2004 £	Charity 2005 £	Charity 2004 £
Amounts due from subsidiary undertaking	-	-	-	53,624
Sundry debtors	176,586	7,015	176,586	7,015
Dividends and interest receivable	21,175	17,436	19,936	17,436
Prepayments	1,467	12,573	1,467	12,573
	199,228	37,024	197,989	90,648

7 Creditors: Amounts falling due within one year

	Group 2005 £	Group 2004 £	Charity 2005 £	Charity 2004 £
Amounts due to subsidiary undertaking	-	-	4,893	37
Millennium Commission grants programme	11,620	11,580	11,620	11,580
Taxation	10,730	-	10,730	-
Sundry creditors and accruals	164,060	162,332	164,060	162,332
Grants payable	1,178,543	1,064,121	1,176,493	1,064,121
Deferred income	27,500	27,000	27,500	27,000
	1,392,453	1,265,033	1,395,296	1,265,070

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 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. However, during the year bonds were donated to the Community Foundation which incur a taxation charge on the realised gains. Tyne & Wear Foundation Limited does not have charitable status, but did not trade during this financial year.

	2005 £	2004 £
Corporation tax payable	10,730	-

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.

	Group £	Charity £
At 1 April 2004	23,081,973	22,181,691
Transfers between funds	200,491	192,491
Net incoming resources for the year	9,869,409	9,529,958
At 31 March 2005	33,151,873	31,904,140

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 23 to 25

General restricted funds

	At 1 April 2004	Income	Grants	Other outgoings and transfers	At 31 March 2005
	£	£	£	£	£
ABC Fund	3	-	-	-	3
Acton Evangelical	-	-	3,900	-	(3,900)
Akzo International Paint	13,629	16,280	16,858	1,300	11,751
Alcan Primary Metal – Europe	6,096	15,000	11,104	1,125	8,867
Amec Process & Energy	14,567	5,953	6,000	11	14,509
Anne Coleman	94,099	3,901	25,272	-	72,728
Anonymous	30,262	189,931	250,000	-	(29,807)
Arriva	3,576	6,000	4,990	600	3,986
Asian Fund	-	586	-	-	586
Asylum Seekers' Hardship	3,200	-	3,200	-	-
Baines	2,232	2,671	-	-	4,903
Nancy Barbour Award	4,079	4,527	5,000	-	3,606
Sir Jeremy Beecham Fund	1,181	705	1,750	-	136
Barbara & Chris Beith	435	200	75	-	560
Bellingham	1,044	1,252	2,577	-	(281)
Berwick Community Support	40	-	-	-	40
Big Appeal	5,300	-	-	-	5,300
Bird Family	842	1,138	1,575	-	405
Canford Audio	636	295	500	-	431
CarbonNeutral	84,370	9,211	72,133	7	21,441
Change up – Tyne & Wear	-	-	240,000	-	(240,000)
Chapman Fund	5,757	19,529	23,856	-	1,430
Choysez	5,000	-	-	5,000	-
Community Arts Fund	232	-	-	-	232
Community Leaders	15,209	-	10,000	373	4,836
Community Ventures	50,850	1,622	28,299	-	24,173
Duncan & Sarah Davidson	542	2,200	3,103	-	(361)
Durham	1,813	1,964	2,780	-	997
Enact	685	-	-	-	685
Fair Share	-	168,080	66,000	-	102,080
FARNE	18,719	10,539	11,500	-	17,758
Fergusons of Blyth	1,404	5,063	3,240	-	3,227
Gateshead Community Chest	17,745	278,515	238,931	39,835	17,494
Gateshead Community Learning Chest	5,001	64,127	44,819	9,424	14,885
Geordie Jaunts	1,765	-	1,765	-	-
David Goldman Awards	-	23,157	22,156	-	1,001
Allison Greenlees Continuation	-	2,545	1,800	-	745
Green Scheme	3,862	2,383	5,100	-	1,145
Grounds family	2,830	-	2,800	-	30
Carried forward	397,005	837,374	1,111,083	57,675	65,621

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

10 Income funds (continued)

	At 1 April 2004	Income	Grants	Other outgoings and transfers	At 31 March 2005
	£	£	£	£	£
Brought forward	397,005	837,374	1,111,083	57,675	65,621
Hays Travel	4,000	-	2,605	-	1,395
Henry Smith Charity	248,301	1,120,900	1,030,500	-	338,701
Included Communities	43,431	1,375,101	1,322,924	79,987	15,621
Jackie Haq Fund for Scotswood	1,381	1,246	1,870	315	442
Jim Smail Tree Fund	11,308	-	1,795	-	9,513
Josephs Family Fund	565	2,200	2,225	200	340
Journal Millennium	47	-	-	-	47
JPMorgan Fleming	471	3,906	1,800	561	2,016
Kellett	(343)	277,628	255,100	-	22,185
Lady Grey Memorial	67	100	-	-	167
Latterford Fund	244	272	350	-	166
Liam Cuffe	1,350	-	-	-	1,350
Lyndhurst Fund	-	199,466	39,651	275	159,540
George Loggie Fund	1,760	1,443	5,000	(2,857)	1,060
Men's Health Fund	4,316	2,484	4,000	121	2,679
Men's Initiative Fund	9,302	50,000	40,000	73	19,229
NBS Members Fund	398	646	393	-	651
Newcastle Community Chest	10,922	259,210	223,627	36,881	9,624
Newcastle Community Learning Chest	116	28,936	24,244	4,808	-
Mary & Enid Noble Trust Fund	174,002	-	79,892	-	94,110
North East E-Learning	21,154	96,154	78,000	5,000	34,308
Northern Angel	-	2,500	-	-	2,500
North Tyneside	981	1,011	1,000	-	992
North Tyneside Community Chest	15,244	161,858	147,934	23,752	5,416
North Tyneside Community Learning Chest	(1,734)	38,658	27,151	7,232	2,541
Northumberland Group	3,157	2,477	-	-	5,634
Northumberland High Sheriff	2,468	18,994	20,000	-	1,462
Northumberland Local Network Fund	5,650	315,997	269,179	52,035	433
Northumbrian Water – Chill Out Fund	66,776	10,212	13,736	3,010	60,242
Northumbria Probation	110	518	367	-	261
P&G Arts & Business Cards	785	-	-	-	785
People of Ward Hadaway in memory of Sue Watts	23	-	-	23	-
Percy Family	1009	3,320	1,000	-	3,329
Readman Foundation	620,062	57,144	44,700	6,925	625,581
Brian Roycroft Fund	793	3,520	3,300	4	1,009
The Sage Gateshead	-	333,467	324,633	-	8,834
Sammy Johnson Memorial Fund	64,293	5,583	14,457	50,772	4,647
Share Family	921	-	-	-	921
Sir Horace Heyman	2,937	2,309	4,595	79	572
Sir Tom Cowie	(3,945)	28,027	16,722	-	7,360
Smail Family	623	1,625	1,000	-	1,248
Snowdrop Garden	(12)	-	-	-	(12)
South Tyne Valley	14,910	27,796	37,340	-	5,366
South Tyneside	500	-	-	-	500
Carried forward	1,725,348	5,272,082	5,152,173	326,871	1,518,386

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

10 Income funds (continued)

	At 1 April 2004 £	Income £	Grants £	Other outgoings and transfers £	At 31 March 2005 £
Brought forward	1,725,348	5,272,082	5,152,173	326,871	1,518,386
South Tyneside Community Chest	5,603	334,566	287,868	46,328	5,973
South Tyneside Community Learning Chest	2,038	75,006	65,537	11,037	470
Sponsors Club	61,381	178,720	50,600	132,716	56,785
Sports Relief	-	25,000	7,000	-	18,000
Sunderland Community Chest	17,678	337,728	296,967	59,134	(695)
Sunderland Community Learning Chest	6,538	78,823	70,801	13,550	1,010
Evening Chronicle Sunshine Fund	142,329	134,093	67,661	43,013	165,748
Three Valleys	285	189	-	-	474
Tiny Lives	125,013	201,479	44,878	197,255	84,359
Tyne & Wear High Sheriff	3,645	19,813	18,050	2,615	2,793
Tyne & Wear Local Network Fund	9,658	1,033,226	852,949	122,679	67,256
Visage	627	322	-	949	-
Wansbeck Community Chest	6,922	114,586	106,094	20,085	(4,671)
Wansbeck Community Learning Chest	1,227	32,958	9,058	3,920	21,207
Ted Weekes Fund	49	5,496	-	15	5,530
UK Land Estates	-	9,900	8,750	-	1,150
Women's Fund	2,937	11,727	10,588	17	4,059
Young Musician's	1,386	3,594	3,944	-	1,036
YouthBank	12,660	30,000	25,538	7,123	9,999
Total Community Foundation	2,125,324	7,899,308	7,078,456	987,307	1,958,869
Restricted fund Joseph Brough Charitable Trust	18,445	24,387	31,644	-	11,188
Restricted fund Tyne & Wear Foundation Trust	97	17,637	3,651	8,000	6,083
Total Group	2,143,866	7,941,332	7,113,751	995,307	1,976,140

Other outgoings include charges for grantmaking, general administration, outreach costs and fund transfers. Tiny Lives and Sammy Johnson Memorial include transfers to the endowment fund of £150,000 and £50,000 respectively. Since the year end the funds in deficit at 31 March 2005 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 2004	Income	Grants	Other outgoings	At 31 March 2005
	£	£	£	£	£
Anonymous	-	721	-	-	721
Anonymous	220	1,525	200	-	1,545
Bank of England	-	700	-	-	700
John Bell Fund	-	25,731	16,750	1,550	7,431
Bellway	1,924	1,000	1,320	-	1,604
Peter Barratt's Garden Centre	-	5,000	-	-	5,000
Benfield Motors	887	1,872	-	-	2,759
Bonas Machine Company	623	688	1,100	-	211
Bowey Homes	821	460	750	-	531
Carr-Ellison Charitable Trust	1,289	10,462	10,765	-	986
Roland Cookson Charitable	-	40,502	1,000	-	39,502
Equitable Charitable Trust	2	-	-	-	2
Muscular Skeleto Fund	2,074	-	-	-	2,074
Garrod Family	1,027	146	9,548	(5,601)	(2,774)
HSBC	-	4,607	4,500	-	107
Hugonin Family	-	-	1,500	-	(1,500)
HYPF	17,575	4,916	-	13,162	9,329
I'Anson Family	-	517	-	-	517
William Leech Charity	17,813	21,427	-	-	39,240
Leech Challenge	(2,801)	2,562	-	-	(239)
Linden (Family)	9,971	10,000	9,971	-	10,000
Maudslay Family Fund	1,718	368	-	-	2,086
G S May Family Fund	2,790	4,475	5,540	-	1,725
Millburn	(100)	5,445	11,845	-	(6,500)
Mitford Fund	534	428	-	-	962
NEBA	-	2,149	1,500	-	649
Newcastle Federation Breweries	3,626	1,997	3,975	-	1,648
NBS Community Fund	18,898	104,040	72,691	15,026	35,221
Northern Electric	2,163	6,320	4,000	-	4,483
Northumbrian Water	3,307	4,155	4,204	-	3,258
N.E.M.S. Warehousing	1,000	16,746	-	16,746	1,000
PricewaterhouseCoopers	4,169	1,143	1,000	-	4,312
P&G	1,968	94,000	34,947	-	61,021
Pubmaster	3,000	-	2,700	300	-
Guy Readman	1,123	1,782	1,000	-	1,905
Ridley Family Fund	10,346	40,000	24,249	-	26,097
Ringtons	4,625	11,422	4,790	-	11,257
Robert Muckle	31,238	24,626	20,000	500	35,364
Rolls Royce	600	930	1,200	-	330
Joseph Rowntree Charitable Trust	7,096	10,995	(1,000)	-	19,091
St Cuthberts	2,339	791	-	-	3,130
Sage Community Fund	67,796	100,000	58,233	5,000	104,563
John & Tricia Smith	2,158	382	2,377	-	163
Carried forward	221,819	565,030	310,655	46,683	429,511

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

10 Income Funds (continued)

	At 1 April 2004	Income	Grants	Other outgoings and transfers	At 31 March 2005
	£	£	£	£	£
Brought forward	221,819	565,030	310,655	46,683	429,511
Barry & Faga Speker	-	1,100	-	-	1,100
Universal Building Society	294	1,192	1,900	-	(414)
Vaux Breweries	3,895	6,830	9,780	-	945
Ward Hadaway	7,548	-	2,516	500	4,532
Karl & Jill Watkin	879	2,845	500	-	3,224
Willis Charitable Fund	2,324	1,080	1,500	-	1,904
Other general funds	58,941	129,556	42,920	2,083	143,494
	295,700	707,633	369,771	49,266	584,296

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. Since the year end the funds in deficit at 31 March 2005 have received sufficient funds to return them to credit.

11 Analysis of group net assets between funds

	Unrestricted funds	Restricted funds	Endowment funds	2005 Total
	£	£	£	£
Investments	-	458,318	32,874,295	33,332,613
Tangible fixed assets	36,529	-	-	36,529
Current assets	982,198	2,693,836	375,542	4,051,576
Current liabilities	(118,475)	(1,176,014)	(97,964)	(1,392,453)
Total net assets	900,252	1,976,140	33,151,873	36,028,265

Community Foundation
serving Tyne & Wear and Northumberland

12 Financial commitments

At 31 March 2005 the group had annual commitments under non-cancellable operating leases as follows:

	Land & buildings	Land & buildings
	2005	2004
	£	£
Expiry date:		
Within two to five years	51,000	-
Over five years	-	51,000
	51,000	51,000

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 £21,833 (2004: £17,624). Outstanding contributions at 31 March 2005 were £1,381 (2004: £1,113).

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 2005 amounted to £9,973,827.

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

14 Subsidiary company and charities (continued)

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
	2005	2004
	£	£
Turnover	-	75,582
Cost of sales	-	(21,958)
Operating profit	-	53,624

The aggregate of the assets and liabilities was:

	Total	Total
	2005	2004
	£	£
Assets	100	53,724
Liabilities	-	(53,624)
Net Assets (representing 100 ordinary shares of £1 each)	100	100

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
	2005	2004
	£	£
Investment income	26,887	29,300
Charitable expenditure	(34,144)	(22,393)
Gains and losses on investments	70,632	146,480
Net movement in funds	63,375	153,387

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

14 Subsidiary company and charities (continued)

The aggregate of the assets, liabilities and funds was:

	Total 2005 £	Total 2004 £
Assets	965,316	899,941
Liabilities	(2,000)	-
Funds	963,316	899,941

Represented by:

	Total 2005 £	Total 2004 £
Permanent endowment fund	952,128	881,496
Restricted funds	11,188	18,445
Funds	963,316	899,941

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 2005 £	Total 2004 £
Donations	285,832	-
Investment income	2,112	914
Charitable expenditure	(4,523)	(1,430)
Gains and losses on investments	(616)	24
Net movement in funds	282,805	(492)

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

14 Subsidiary company and charities (continued)

The aggregate of the assets, liabilities and funds was:

	Total 2005 £	Total 2004 £
Assets	301,738	18,883
Liabilities	(50)	-
Funds	301,688	18,883

Represented by:

	Total 2005 £	Total 2004 £
Permanent endowment fund	295,605	18,786
Restricted funds	6,083	97
Funds	301,688	18,883

15 Cashflow information for the group

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

	2005 £	2004 £
Net incoming resources before revaluations and taxation	9,111,194	1,599,985
Investment income	(1,320,048)	(1,082,261)
Interest receivable	(159,350)	(102,131)
Receipts of endowment funds	(8,695,665)	(1,182,762)
Depreciation	15,833	18,229
(Increase)/decrease in debtors	(162,204)	15,484
Increase/(decrease) in creditors	116,690	(71,437)
Net cash outflow from operating activities	(1,093,550)	(804,893)

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

15 Cashflow information for the group (continued)

(b) Reconciliation of net cashflow to movement in net funds

	2005 £
Increase in cash in period	357,452
Increase in short term deposits	166,279
Movement in net funds in the year	523,731
Net funds at 1 April 2004	3,328,617
Net funds and debt at 31 March 2005	3,852,348

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

16 Grants awarded

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

Grantee	Amount £
Across Communities Youth Project	7,000
ADAPT	15,000
Age Concern Durham County	30,000
Age Concern Gateshead	15,000
Age Concern Newcastle	10,000
Age Concern North Tyneside (2 grants)	52,000
Age Concern South Tyneside	16,100
Age Concern Sunderland	30,000
Akenshaw Youth Project	7,000
Alnwick Community Association	7,000
Apna Ghar	7,000
Ashington Joint Welfare Group of Schemes	7,000
Barbara Priestman School	73,893
Bellingham Pre School/Play Group	7,000
Berwick Family Centre	16,200
Blackhall Mill Community Association	100,000
Blyth Resource And initiative Centre (BRIC)	20,000
Byker Bridge Housing Association (2 grants)	100,000
Carbon Neutral	71,340
CHANCE	28,000
Chasdei Raizel	7,000
Chillingham Road Sports and Arts Group	7,000
Chopwell and Blackhall Mill Live at Home Sche	20,000
Community Regeneration Trust North East	10,000
Contact a Family	22,400
Cowpen Quay Community Association	7,000
Deckham Community Association	11,000
Dementia Care Partnership	100,000
Denton Young People's Project	7,000
East Ashington Development Trust (2 grants)	50,000
East End Community Buildings Network	25,000
e-Learning Foundation (2 grants)	50,000
EMTEP (Ethnic Minority Training & Education Project	39,260
Equal Arts	25,000
Families in Care	20,000
Fenham Swimming Project	7,000
First Step (2 grants)	29,740
Friends of All Saints College	7,000
Future Generation of Grangetown	20,000
Gateshead Cleveland Hall Community Association (2 grants)	22,000
Gateshead Muslim Society	7,000
Gateshead Redheugh Boys Club	7,000

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

16 Grants awarded (continued)

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

Grantee	Amount £
Gateshead Youth Council	20,000
Gateway into the Community	23,000
Greenhouse Music Ltd	7,000
Haltwhistle Social Welfare Centre	10,000
Hartlepool Families First	13,500
Howdon Baby Equipment Loan Service	7,000
KEY	31,000
Kids Kabin	35,000
Kramel Community Creche	7,000
Lawnmowers Independent Theatre Company	30,000
Learning Mentors Mortimer Comprehensive "Out	7,000
Longbenton Youth Project (2 grants)	55,000
Lynemouth Day Centre	10,000
Meadow Well Community Resource Centre	35,000
Millennium Phab Club	12,500
Mobex North East	35,178
Monkchester Family Centre	25,000
Monkwearmouth Community Forum	7,000
Murray House Community Recreation Centre	47,650
Newbiggin Hall Detached Youth Project	10,000
Newcastle - YMCA (4 grants)	30,000
Newcastle City Cricket Club	7,000
Newcastle CVS	120,000
Newcastle Gateshead Initiative	8,812
Newcastle Primary Care Trust	40,000
Newcastle upon Tyne Hospitals NHS Trust	19,874
Newcastle Women's Aid (2 grants)	59,125
North Benwell Black Residents Support Group	37,000
North East E-Learning Foundation	23,000
North Music Trust (4 grants)	324,633
Northern Centre for Cancer Treatment (4 grants)	250,000
Northumberland County Blind Association	7,500
Northumbria Coalition Against Crime	20,000
Northumbria Youth Action	100,000
Oakleigh Gardens School	7,000
Oblivion	7,000
Owton Fens Community Association	32,000
P&G Employees Benevolent Fund	8,000
Pelton Fell Community Group	26,200
Pendower Good Neighbour Project	7,500
Pennywell Community Centre	50,000
Pennywell Neighbourhood Centre	30,000

Community Foundation
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Notes to the accounts (continued)

16 Grants awarded (continued)

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

Grantee	Amount £
People and Drugs	7,000
Philadelphia Cricket Club	7,000
Point - Blyth Young People's Centre	30,000
Primrose Community Association	75,000
Primrose Community Association	32,400
Procter & Gamble Employees Charities Fund	10,000
Rainbow Trust Children's Charity	8,163
Riverside Community Health Project	20,000
Royal Grammar School	21,000
Scotswood Natural Community Garden	30,000
Seaton Delaval and Holywell Community Associa	7,000
Second Chance	20,000
Shiney Row & District Credit Union	20,000
Sick Children's Trust	9,000
Skerne Park Community Enterprise Association	25,000
Skills For People	18,075
South Sunderland Swim Club	7,000
South Tynedale Community Association	10,000
South Tyneside Credit Union	13,225
South Tyneside Enterprises Ltd	20,000
South Tyneside Furniture Recycling Scheme	25,000
Southwick Health and Community Forum	7,000
Springwell Dene School Fund	7,000
St Oswalds Hospice	15,000
St Peters Parish Centre	20,000
Streetwise	10,000
Sunderland Bangedeshi Community Centre	7,000
Sunderland Great Lakes Community	7,000
The Angelou Centre	30,000
The Grange Day Centre	17,000
Toby Henderson Trust	30,000
VODA	120,000
VONNE	20,000
Walkerville Community Association (2 grants)	65,000
Wallsend Peoples Centre	26,602
Wayout in Gateshead	25,000
Womens Health in South Tyneside	10,000
Wor Hoose Community Project	28,200
Young Firefighters Association	7,000
Youth Educational Summer Holidays	7,000

Community Foundation
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Notes to the accounts (continued)

16 Grants awarded (continued)

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

Grantee	Amount £
Zayis Raanon (2 grants)	65,000
Total of grants awarded over £7,000	3,701,070
Grants awarded of less than £7,000 (2,224 grants)	3,782,452
Total grants	7,483,522