

Community Foundation

serving Tyne & Wear and Northumberland

(A company limited by guarantee)

Directors' report and accounts for the year ended 31 March 2008

Registered company number 2273708

Registered charity number 700510

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

Directors' report and accounts
for the year ended 31 March 2008

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Community Foundation

serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2008

Introduction

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

The Charity registration number is 700510 and the limited company number is 2273708. The principal office and registered office is Cale Cross, 156 Pilgrim Street, Newcastle NE1 6SU.

The Community Foundation comprises several separate organisations whose accounts and activities are consolidated within the Group. They are:-

- Community Foundation serving Tyne & Wear and Northumberland - A Limited Company and main operating Charity;
- Tyne & Wear Foundation Trust - a charitable trust, which holds donations of permanent endowment to the Community Foundation. This has enabled several historic charitable trusts to be transferred to the Group;
- Tyne & Wear Foundation Limited - a trading company whose profits are covenanted to Community Foundation. The trading company is mainly used for specific large fundraising events such as bi-annual Sunday for Sammy Concerts;
- Joseph Brough Charitable Trust - an endowed trust making grants in the historic counties of Durham and Northumberland, of which the Community Foundation is sole trustee.

Community Foundation activities also encompass 3 projects; The Sponsors Club for Arts & Business, Tiny Lives and The Evening Chronicle Sunshine Fund. These have separate aims and objectives but are not registered charities in their own right, and form part of the Community Foundation. All 3 projects are accounted for under restricted funds.

The Community Foundation also administers The Fred Clay Trust which has its own trustees and reports separately to the Charity Commission.

The Community Foundation is a member and active supporter of Community Foundation Network which promotes good practice between community foundations in the United Kingdom. The Community Foundation manages two Fairshare programmes on contracts from Community Foundation Network but is not otherwise subject to any governance arrangements with Community Foundation Network.

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

Annual report for the year ended 31 March 2008 (continued)

Advisers:

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

Brewin Dolphin
Time Central
Gallowgate
Newcastle upon Tyne
NE1 4SR

Solicitors

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

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

Annual report for the year ended 31 March 2008 (continued)

Structure, Governance and Management

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

Category A - voluntary organisations

Category B - individuals

Category C - statutory authorities

Category D - companies/businesses

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

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

There are arrangements for induction and training of Board members, which are reviewed by the Governance Committee. Each new Board Member is given a standard induction pack and attend an induction session with the executive officers and Chair. The Governance committee review training needs of the Directors and arrange training as required.

During the year, a formal skills audit of Board members was prepared and considered by the Board. The involvement of Board members is reviewed by the Honorary Officers after one year and after three years to ensure that the skills and time provided by members of the Board is used to best effect.

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

- Agrees an operating budget
- Receives quarterly management accounts
- Agrees annual objectives
- Reviews five year objectives
- Monitors performance within agreed targets
- Considers risk assessment
- Receives an equality and diversity report
- Considers strategic issues
- Receives reports and minutes from all sub committees listed below

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

Annual report for the year ended 31 March 2008 (continued)

Structure, Governance and Management

The Board appoints sub committees, which are responsible for more detailed review of operational activities.
The current sub committees are:-

- Audit Committee (Audit)
- Development Committee (Dev)
- Equality & Diversity Committee (E&D)
- Finance & General Purposes Committee (F&GP)
- Governance Committee (Gov)
- Grants Strategy Committee (Grants)
- Investment Committee (Inv)

Members of the Board who served during the year and the committees on which they served are:-

Hugh Welch - Chair co-opted October 2001, elected 2003	(F&GP, Dev, Gov)
Richard Maudslay CBE –Deputy Chair co-opted October 2003	(Dev, F&GP)
Jan Worters MBE – Deputy Chair co-opted October 2000	(F&GP, Grants, Gov)
John Josephs – Treasurer elected October 2003, re-elected 2006	(F&GP, Inv, E&D)
Lisa Charlton elected October 2004	(Grants, E&D)
Sheila Davidson MBE elected October 2005	(Grants, E&D)
Pamela Denham CB DL co-opted October 2001, retired October 2007	(Dev, F&GP, Gov)
Jill Dixon co-opted October 2006	(F&GP)
Chris Drinkwater CBE co-opted October 2006	(Grants)
Mark I'Anson elected 2007	(Dev)
Rodney James co-opted 2005	(Grants, Audit)
Andrew Kerr appointed 2005 to represent local authorities	(Audit)
Jamie Martin OBE co-opted October 2006	(Dev)
John Mowbray co-opted October 2001, retired 2007	(Dev)
Colin Seccombe elected 2007	(Dev)
John Sands elected 2005	(Dev, Inv)
Trevor Shears co-opted October 2003	(Inv)

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

Annual report for the year ended 31 March 2008 (continued)

Structure, Governance and Management

Members of the Board who served during the year and the committees on which they served are (continued):-

John Squires OBE, DL appointed 2002 , elected 2006, co-opted 2007	(Audit, Inv, Gov)
Shobha Srivastava co-opted October 2003	(Grants)
Jane Streather elected October 2002, re-elected 2004, re-elected 2007	(Grants)
Rani Svanberg elected October 2006	(Grants)
William Teasdale elected October 2002, re-elected 2005	(F&GP, Dev, Inv)
Susan Winfield OBE co-opted October 2006	(Grants)

The following members of the Board served during the year but retired before the year end; Pamela Denham and John Mowbray. Members who will retire at 2008 Annual General meeting are John Squires, Jane Streather and William Teasdale. Sheila Davidson and John Sands retire by rotation and are eligible for re-election

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

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

Annual report for the year ended 31 March 2008 (continued)

Structure, Governance and Management

The senior members of staff responsible for day to day management of the Charity as delegated by the Charity Directors are:-

George Hepburn OBE	Chief Executive
Peter Storey	Development Director
Derry Nugent	Philanthropy Director
Sonia Waugh	Finance Director

Sandra King held the post of Development Director until December 2007. The Board wishes to thank her for her contribution to the development of the Community Foundation and wish her well in her future venture.

At the year end there was a total of 22 core staff and 9 project staff. Staffing was reduced during the year in anticipation of Local Network Fund ending in March 2008. The staff was also reorganised to provide a better service to donors.

The Chief Executive informed the Board of his intention to resign in summer 2009, on completion of 21 years service to the Community Foundation. The Board has agreed procedures for selecting a new Chief Executive and this process started shortly after the year end.

Risk Assessment

The Board receives an annual assessment of risk prepared by the Executive Directors and agrees steps to minimise risk. Board members are involved in a more comprehensive risk assessment undertaken every third year and completed this during the year ended March 2007. The main risks identified by the Executive Directors review in February 2008 were:-

- Stock market crash
- Unable to generate sufficient new donors
- Failure to deal with adverse publicity
- Grants not making a strategic difference
- Donors lose confidence in Community Foundation

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

Annual report for the year ended 31 March 2008 (continued)

Objectives and activities

The Community Foundation reviewed its vision and mission statement during the year which was restated in a more concise way with three aims

- ♦ To help local people and businesses manage their charitable giving
- ♦ To build stronger communities and enrich lives through awarding grants
- ♦ To influence the critical issues affecting our communities

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

During the year the Members passed a special resolution making amendments to the Memorandum of Association mainly to provide powers to make grants outside of Tyne & Wear and Northumberland. The membership also approved a number of minor amendments to the Memorandum and Articles in order to bring them up to date.

The Community Foundation is a generalist grantmaker to a wide range of community groups. Some of the funds have more restricted purposes - for example The Lyndhurst Fund only makes grants in one area of Gateshead. The Community Foundation accommodates donors' wishes in respect of grant awards wherever possible. The Board has agreed certain exclusions for grants awarded with its general funds and these are detailed in grant application materials available on request.

The Board developed a new three year plan to be implemented from April 2008. The plan was partly influenced by work undertaken by the Chief Executive during a period of sabbatical leave on the long term future of community foundations and aims to refocus the Community Foundation as an organisation making strategic grants that meet real needs and are attractive to donors.

To achieve this, the Community Foundation will need to be more involved in the community and engage donors in learning about community issues for themselves.

The predominant activity is grantmaking but the Community Foundation also devotes resources to development and donor education which aim to increase local philanthropy. It also manages a small number of projects on current social issues. For example, during the year the Community Foundation completed a two year project on social capital, in partnership with University of Northumbria, with primary funding from ONE North East. The project culminated in a major conference with Robert Putnam, Professor of Public Policy, Harvard University in June 2008.

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

Annual report for the year ended 31 March 2008 (continued)

Achievements and performance

The Community Foundation awarded 1769 grants (2007: 1,703) totalling £7m (2007: £7.8m) during the year.

The grants total includes a number of grant programmes managed for statutory bodies and for The Henry Smith Charity as shown in the table below.

Programme	No of grants	Total awards
Capacity Builders	8	207,606
Community Foundation Funds	1,402	3,450,131
Fair Share	8	176,952
Included Communities	56	1,129,508
Local Network Fund	254	1,024,298
Henry Smith Charity	41	985,025
Total grants awarded by the full group	1,769	£6,973,520

The majority of grants continued to be for amounts of under £5,000 and to provide practical support for small community groups. The Community Foundation works with outreach partners to ensure that grants are available to new and grass roots projects.

The Community Foundation provided grantmaking services for One North East for their 3rd Sector Capacity Fund and 1989 Willan Charitable Trust, which awarded grants of £345,560 and £489,546 respectively in this financial year. These grants are not included in the grants awarded figure above as the grants were made directly from the respective organisations.

During the year the David Dockray's West End Young People's Fund was established from the sale proceeds of West End Boy's Club of just under £1m. The Adderstone Fund was also established with £0.25m gift. Ringtons celebrated their centenary year with a donation to their fund of just over £0.25m. A further 8 Acorn Funds were established during the year and 2 acorn funds matured before the year end. There were 11 new revenue funds established including Peter and Angela Barratt, Owen Pugh Ltd and eaga plc.

The Community Foundation continued a partnership with The Greggs Trust, The Shears Foundation, Sir James Knott Trust and an anonymous donor on environmental grantmaking which awarded £148,181 grants during the year and organised a conference for voluntary organisations on environmental awareness. The Community Foundation started to monitor its own environmental footfall and appointed specialist advisors to monitor the environmental credentials of companies in the investment portfolio.

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

Annual report for the year ended 31 March 2008 (continued)

Financial Review

Net Assets at 31 March 2008 were £45.6m (2007: £47.3m). £41.4m of the assets related to endowment funds (2007: £43.5m). There were new donations to the endowment funds during the year of £2.4m, market reduction of £3.4m and fees and transfers out of endowment of £1.1m. The expendable endowment fund is treated by the Directors as a long term capital fund to provide income for future grantmaking. The investments are managed by Investec Asset Management and Brewin Dolphin to achieve maximum total returns and provide an agreed amount annually for grantmaking. The Investment Committee meet with Investec and Brewin Dolphin on a quarterly basis and monitor their performance in relation to the WM Unconstrained 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. Investec outperformed the WM Unconstrained Charity Benchmark for the year but Brewin Dolphin underperformed and the Investment Committee carried out a review of investment managers in May 2008 and appointed UBS to manage part of the portfolio in succession to Brewin Dolphin. There is separate provision for donors who wish to invest ethically.

Incoming resources for the year totalled £10.1m (2007: £9.0m). The main sources of income were new donations, grants from public bodies and investment income. The main resources expended were for charitable grants of £6.9m (2007: £7.5m). There were additional costs involved for the Sponsors Club, Sunshine Fund and Tiny Lives projects and for outreach contracts and investment charges. After deducting these costs expenditure for support costs, development costs, management and administration, was 11% of total expenditure (2007: 11%).

Fundraising events within the charity represent events held to raise funds for two restricted funds, Evening Chronicle Sunshine and Tiny Lives. Consolidated figures also include proceeds and expenses of Sunday for Sammy concert which raised money for the Sammy Johnson restricted fund.

Reserves

The Statement of Financial Activities shows the movement in the year of the Community Foundation's (group) Unrestricted and Restricted Funds. The year end balances on the Restricted Funds are available in their entirety for future grant making and other direct charitable expenditure. The Unrestricted Funds balance at 31 March 2008 of £1,585,820 includes £981,426 set aside for designated funds which are solely for future grantmaking, and the balance of £604,394 (2007: £505,969) is a general reserve available to meet future administration and development expenditure. The Board's reserve policy is that administrative reserves should be more than 3 months' but not more than six months' running costs. The reserves figure at the year end amounted to just over the estimated 6 months' running costs. The Board has agreed to exceed the maximum level of reserves in order to support additional development costs in the next 3 years.

Plans for future periods

There is growing evidence of interest in philanthropy regionally and nationally which the Community Foundation is well placed to manage. Some of the long term trends in community philanthropy were discussed by the Chief Executive in a keynote address to Community Foundation Network national conference in the Autumn and subsequently published at www.communityfoundation.org.uk. At the year end, plans were well advanced for a special series of events during the summer to mark the Community Foundation's 20th anniversary designed to thank donors and supporters who helped establish the Community Foundation as the leading organisation of its kind in the United Kingdom.

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

Annual report for the year ended 31 March 2008 (continued)

Statement of Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and group and of the profit or loss of the charity and group for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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

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

Provision of information to auditors

So far as each Director is aware, there is no relevant audit information of which the charity's auditors are unaware, and each Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information

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
23 September 2008

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 of Community Foundation serving Tyne & Wear and Northumberland for the year ended 31 March 2008 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Summary Consolidated Income and Expenditure Account, the Consolidated Cash Flow Statement and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

Respective responsibilities of trustees and auditors

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the charitable 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 any responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 whether in our opinion the information given in the Annual Report is consistent with the financial statements.

In addition we report to you, if in our opinion, 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.

We read the Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

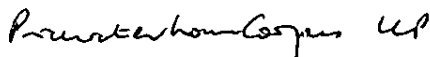
Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent charitable company's affairs as at 31 March 2008 and of the group's net incoming resources and application of resources, including the group's income and expenditure, and cash flows of the group for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Annual Report is consistent with the financial statements.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Newcastle upon Tyne
26 September 2008

Community Foundation
serving Tyne & Wear and Northumberland

Consolidated statement of financial activities
for the year ended 31 March 2008

	Note	Unrestricted funds	Restricted funds	Endowment funds	Total 2008	Total 2007
		£	£	£	£	£
Incoming resources						
Incoming resources from generated funds:						
Voluntary income:						
Donations		736,017	2,114,203	2,440,003	5,290,223	4,978,866
Grants from public bodies		90,607	2,709,500	-	2,800,107	2,408,238
Activities for generating funds:						
Fundraising events		-	404,173	-	404,173	178,883
Investment income	1	655,762	979,608	-	1,635,370	1,414,933
Other incoming resources		15,804	-	-	15,804	16,689
Total incoming resources		1,498,190	6,207,484	2,440,003	10,145,677	8,997,609
Resources expended						
Costs of generating funds:						
Costs of generating donations	3	196,474	113,992	-	310,466	327,839
Costs of fundraising events	4	19,704	250,738	-	270,442	109,058
Investment managers' fees		-	-	179,375	179,375	163,928
Charitable activities	5	1,414,474	6,196,037	-	7,610,511	8,286,238
Governance costs	6	68,936	7,077	-	76,013	79,816
Other resources expended		15,804	-	-	15,804	16,689
Total resources expended		1,715,392	6,567,844	179,375	8,462,611	8,983,568
Net incoming resources before transfers		(217,202)	(360,360)	2,260,628	1,683,066	14,041
Gross transfers between funds	13-15	540,240	391,240	(931,480)	-	-
Net incoming resources before taxation		323,038	30,880	1,329,148	1,683,066	14,041

Community Foundation
serving Tyne & Wear and Northumberland

Consolidated statement of financial activities
for the year ended 31 March 2008 (continued)

	Note	Unrestricted funds	Restricted funds	Endowment funds	Total 2008	Total 2007
		£	£	£	£	£
Net incoming resources before taxation		323,038	30,880	1,329,148	1,683,066	14,041
Taxation	12	-	-	-	-	-
Net incoming resources before other recognised gains/losses		323,038	30,880	1,329,148	1,683,066	14,041
Gains & losses on investment assets	8	-	-	(3,389,125)	(3,389,125)	1,582,640
Net movement in funds		323,038	30,880	(2,059,977)	(1,706,059)	1,596,681
Fund balances brought forward at 1 April 2007		1,262,782	2,554,091	43,523,142	47,340,015	45,743,334
Fund balances carried forward at 31 March 2008		1,585,820	2,584,971	41,463,165	45,633,956	47,340,015

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

Community Foundation
serving Tyne & Wear and Northumberland

**Consolidated income and expenditure account
for the year ended 31 March 2008**

	Note	2008	2007
		£	£
Income - continuing operations			
Donations		2,850,220	2,731,979
Grants from public bodies		2,800,107	2,408,238
Fundraising events		404,173	178,883
Investment income		1,635,370	1,414,933
Other income		15,804	16,689
		7,705,674	6,750,722
Expenditure - continuing operations			
Grants	5	6,908,077	7,536,449
Staff costs	7	859,835	802,720
Other costs		515,324	482,029
		8,283,236	8,821,198
Net deficit for the year before transfers, investment asset disposals and taxation		(577,562)	(2,070,476)
Transfer from endowment fund		931,480	1,538,169
Realised gains/(losses) on investments		-	7,996
Taxation	12	-	-
Net surplus/(deficit) for the year		353,918	(524,311)

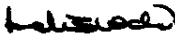
The total income of £7,705,674 comprises £1,498,190 for unrestricted funds and £6,207,484 for restricted funds as shown in the statement of financial activities. The total expenditure of £8,283,236 comprises £1,715,392 for unrestricted funds and £6,567,844 for restricted funds as shown in the statement of financial activities.

Community Foundation
serving Tyne & Wear and Northumberland

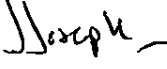
Balance sheets as at 31 March 2008

	Note	Group 2008 £	Group 2007 £	Charity 2008 £	Charity 2007 £
Fixed assets					
Endowment fund investments	8	41,285,099	43,350,837	39,707,730	41,610,916
Investments	8	-	-	100	100
Tangible assets	9	18,741	27,622	18,741	27,622
		41,303,840	43,378,459	39,726,571	41,638,638
Current assets					
Debtors	10	62,069	64,239	114,423	64,239
Cash on short term deposit		2,743,783	2,290,584	2,743,783	2,290,584
Cash at bank and building society		3,063,501	2,816,576	2,951,029	2,771,363
Total current assets		5,869,353	5,171,399	5,809,235	5,126,186
Creditors: amounts falling due within one year	11	(1,539,237)	(1,209,843)	(1,536,415)	(1,213,007)
Net current assets		4,330,116	3,961,556	4,272,820	3,913,179
Total assets less current liabilities		45,633,956	47,340,015	43,999,391	45,551,817
Capital funds					
Endowment fund	13	41,463,165	43,523,142	39,838,023	41,749,765
Income funds					
Restricted	14	2,584,971	2,554,091	2,575,548	2,539,270
Unrestricted	15	1,585,820	1,262,782	1,585,820	1,262,782
Total funds		45,633,956	47,340,015	43,999,391	45,551,817

The accounts on pages 12 to 38 were approved by the Board on 23 September 2008 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 2008

	Note	Group 2008 £	Group 2007 £
Net incoming resources before revaluations and taxation		1,683,066	14,041
Investment income		(1,333,224)	(1,198,543)
Interest receivable		(302,146)	(216,390)
Receipts of endowment funds		(2,440,003)	(2,246,887)
Depreciation		13,794	12,870
Decrease in debtors		2,170	19,287
Increase/(decrease) in creditors		329,394	(253,090)
Net cash outflow from operating activities		(2,046,949)	(3,868,712)
Returns on investments and servicing of finance			
Investment income		1,333,224	1,198,543
Interest receivable		302,146	216,390
		1,635,370	1,414,933
Taxation			
Tax paid		-	-
Capital expenditure and financial investment			
Payments to acquire fixed assets		(4,913)	(11,878)
Purchase of investments		(27,277,629)	(24,357,866)
Proceeds from sale of investments		25,954,242	24,496,808
		(1,328,300)	127,064
Management of liquid resources			
Increase in short term deposits	21	(453,199)	(1,007,625)
Financing			
Receipts of Endowment Funds		2,440,003	2,246,887
Increase/(decrease) in cash in year	21	246,925	(1,087,453)

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 2005, 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 422 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 2008.

Unlisted investments are quoted at cost except for AIM shares which are quoted at market value at 31 March 2008. 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 in 2005 year end was revalued by property consultants during this financial year, and the directors still consider it to be a reasonable value at the year end. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year. Realised gains and losses for the year are calculated based on market value brought forward plus any additions in the year. No depreciation is charged on investment properties.

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

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.

Community Foundation

serving Tyne & Wear and Northumberland

Accounting Policies (continued)

Resources expended

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

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.

Investment income is recognised on an accruals basis.

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

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

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 Directors.

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

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

Community Foundation

serving Tyne & Wear and Northumberland

Accounting Policies (continued)

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

Investment income is allocated to the income funds on a "total return" basis for the Charity. Withdrawals from the endowment fund have been made at a rate of 6% which the Directors review annually and consider to be a reasonable total return withdrawal rate. A total of £1,021,268 (2007:£951,445) in excess of investment income, was transferred from the endowment fund to restricted (£660,571) and unrestricted (£360,697) funds in the year.

Liquid resources

Liquid resources for cashflow purposes consist of cash held at banks in current and deposit accounts and petty cash.

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts
for the year ended 31 March 2008

1 Investment Income

	2008	2007
	£	£
Dividends & interest from endowment fund assets	1,333,224	1,198,543
Interest receivable on cash deposits	302,146	216,390
	1,635,370	1,414,933

2 Allocation of support costs and overheads

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

	Donated income costs £	Fundraising events £	Charitable activities £	Governance £	Total 2008 £	Total 2007 £
Staff costs	44,005	10,141	102,828	7,215	164,189	156,987
Overhead costs	26,138	9,348	59,740	6,013	101,239	187,394
	70,143	19,489	162,568	13,228	265,428	344,381
Included in overhead costs are the following:					2008 £	2007 £
Operating lease rentals - land and buildings					63,500	63,500
Depreciation					13,794	12,870

3 Donated income costs

	2008 £	2007 £
Staff costs	177,984	179,569
Direct costs	62,339	55,602
Support costs	70,143	92,668
	310,466	327,839

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

4 Fundraising events costs

	2008	2007
	£	£
Staff costs	69,253	30,365
Direct costs	181,700	62,256
Support costs	19,489	16,437
	270,442	109,058

5 Charitable activities

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

	2008	2007
	£	£
Grants payable	6,908,077	7,536,449
Staff costs	404,555	392,944
Outreach & evaluation costs	79,815	75,226
Direct costs	55,496	64,053
Support costs	162,568	217,566
	7,610,511	8,286,238

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

	2008 £	2008 Number	2007 £	2007 Number
Grants approved for payment:				
Other charities & voluntary organisations	6,823,418	1,474	7,599,036	1,372
Individuals	150,102	295	166,430	331
Total new grants awarded in the year	6,973,520	1,769	7,765,466	1,703
Grants cancelled	(65,443)		(229,017)	
Total grant expenditure	6,908,077	1,769	7,536,449	1,703

A breakdown of grants awarded is shown on page 8. A full listing of grants awarded in the financial year can be found on our website; www.communityfoundation.org.uk.

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

6 Governance

	2008	2007
	£	£
Staff costs	43,854	42,855
Auditors remuneration:		
- Audit services	7,500	7,500
Legal & professional	2,385	4,235
Trustee expenses	838	242
Direct costs	8,208	7,274
Support costs	13,228	17,710
	76,013	79,816

7 Staff costs

Staff costs comprise the following:	2008	2007
	£	£
Salaries	735,002	687,223
Social security costs	71,790	68,148
Other pension costs	53,043	47,349
	859,835	802,720

The average number of employees, excluding directors, employed by the group during the year was 32 (2007: 29).

None of the directors received any remuneration during the year (2007: Nil). 3 of the directors received reimbursements for expenses during the year (2007: 3). The total of the reimbursements amounted to £838 (2007: £242).

During the year employees with emoluments over £60,000 were in the following band:

	2008	2007
	Number	Number
£60,001 to £70,000	1	1

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

8 Investments

Endowment fund investments - Group

At valuation	Unlisted investments £	Listed investments £	Deposit & other cash balances £	Freehold property £	Total £
At 31 March 2007	68,688	40,515,841	2,562,307	204,001	43,350,837
Additions/deductions in the year	-	28,988,208	(1,710,579)	-	27,277,629
Disposals in the year	(18,252)	(25,935,990)	-	-	(25,954,242)
Realised gains/(losses) in the year	1,077	(1,464,581)	-	-	(1,463,504)
Unrealised (losses)/gains in the year	(18,885)	(1,940,236)	-	33,500	(1,925,621)
At 31 March 2008	32,628	40,163,242	851,728	237,501	41,285,099
At cost					
At 31 March 2008	33,962	38,679,960	851,728	173,001	39,738,651
At 31 March 2007	41,354	33,200,548	2,562,307	173,001	35,977,210
Listed investments are detailed as follows:-					
			2008 Market Value £	2007 Market Value £	
UK Fixed Interest			4,278,276	4,013,603	
UK Equities			23,562,994	25,344,380	
Property			965,494	696,621	
Hedge Funds			198,983	-	
Overseas Fixed Interest			979,368	719,500	
Overseas Equities			10,178,127	9,741,737	
			40,163,242	40,515,841	

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

8 Investments (continued)

Endowment fund investments - Charity

At valuation	Unlisted Investments £	Listed investments £	Deposit & other cash balances £	Freehold property £	Total £
At 31 March 2007	68,688	38,775,920	2,562,307	204,001	41,610,916
Additions/deductions in the year	-	28,334,893	(1,710,579)	-	26,624,314
Disposals in the year	(18,252)	(25,263,079)	-	-	(25,281,331)
Realised gains/(losses) in the year	1,077	(1,431,852)	-	-	(1,430,775)
Unrealised gains /(losses) in the year	(18,885)	(1,830,009)	-	33,500	(1,815,394)
At 31 March 2008	32,628	38,585,873	851,728	237,501	39,707,730
At cost					
At 31 March 2008	33,962	37,244,871	851,728	173,001	38,303,562
At 31 March 2007	41,354	31,798,938	2,562,307	173,001	34,575,603

Other investments - Charity

At valuation	Unlisted investments £
At 31 March 2007	100
Realised gains in the year	-
At 31 March 2008	100
At cost	
At 31 March 2008	100
At 31 March 2007	100

	2008 Market Value £	2007 Market Value £
Listed investments are detailed as follows:-		
UK Fixed Interest	4,143,498	3,880,987
UK Equities	22,579,633	24,229,422
Property	897,120	614,187
Hedge Funds	194,277	-
Overseas Fixed Interest	957,993	699,220
Overseas Equities	9,813,352	9,352,104
	38,585,873	38,775,920

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

8 Investments (continued)

Listed investments under other investments are all listed on the London Stock Exchange or in respect of overseas equities are listed on the relevant stock exchange of the country of origin. Endowment fund unlisted investments are shares registered on the Alternative Investment Market (AIM).

Other unlisted investments held by the charity relate to £100 (2007: £100) investment in the subsidiary company Tyne & Wear Foundation Limited at cost.

Realised gains and losses are calculated based on the market value brought forward plus any additions in the year. Total net realised gains calculated using historical cost was £1,430,232 (2007: £2,186,412).

At 31 March 2008, the charity owned all of the ordinary share capital, consisting of 100 ordinary shares, of Tyne & Wear Foundation Limited, a company registered in England and Wales which raises funds through fundraising events.

9 Tangible fixed assets

Group and Charity

	Furniture & equipment £	Office improvements £	Total £
Cost			
At 31 March 2007	205,836	20,269	226,105
Additions	4,913	-	4,913
At 31 March 2008	210,749	20,269	231,018
Depreciation			
At 31 March 2007	183,904	14,579	198,483
Charge for the year	11,766	2,028	13,794
At 31 March 2008	195,670	16,607	212,277
Net book value			
At 31 March 2008	15,079	3,662	18,741
At 31 March 2007	21,932	5,690	27,622

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

10 Debtors

	Group 2008 £	Group 2007 £	Charity 2008 £	Charity 2007 £
Amounts due from subsidiary undertaking	-	-	52,761	-
Sundry debtors	27,311	33,028	27,311	33,028
Dividends and interest receivable	33,261	29,671	32,854	29,671
Prepayments	1,497	1,540	1,497	1,540
	62,069	64,239	114,423	64,239

11 Creditors: Amounts falling due within one year

	Group 2008 £	Group 2007 £	Charity 2008 £	Charity 2007 £
Amounts due to subsidiary undertaking	-	-	4,740	3,164
Sundry creditors and accruals	193,689	196,861	192,720	196,861
Grants payable	1,227,680	984,989	1,222,680	984,989
Deferred income	117,868	27,993	116,275	27,993
	1,539,237	1,209,843	1,536,415	1,213,007

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

12 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.

	2008 £	2007 £
Corporation tax payable	-	-

13 Endowment fund

The expendable endowment fund is treated by the Directors as a long term capital fund to provide income for future grantmaking. 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 2007	43,523,142	41,749,765
Transfers between funds:		
Total returns endowment withdrawal	(1,021,268)	(1,021,268)
Transfers to endowment from income funds	13,554	13,554
Exceptional withdrawal from endowment funds	(11,000)	(11,000)
Reversal of provision for service charge claim	87,234	87,234
Net incoming resources before transfers	2,260,628	2,265,907
Gains & losses on investment assets	(3,389,125)	(3,246,169)
At 31 March 2008	41,463,165	39,838,023

The Community Foundation (charity) operates a total returns investment strategy and withdraws income from the endowment funds at a rate of 6% per annum to credit income funds to pay for grants and running costs. The difference between the actual endowment income received on the investments and the total withdrawal figure was £1,021,268 and is shown as a transfer from the endowment fund. A withdrawal of £11,000 was made from the George Loggie Fund during the year.

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

14 Income funds - restricted

The Community Foundation receives income and donations both for general charitable purposes and also for more specific areas and issues. All grants are approved by the 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. Since the year end the funds in deficit at 31 March 2008 have received sufficient funds to return them to credit.

	At 1 April 2007	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2008
	£	£	£	£	£
Akzo Nobel International Paint	10,566	3,398	12,892	-	1,072
Alcan Primary Metal - Europe	12,437	15,000	19,238	-	8,199
Amec Offshore	18,038	7,294	3,250	-	22,082
Anne Coleman	4,104	171	4,027	248	-
Anonymous	296	64,103	64,205	-	194
Asian	(8)	3,358	2,475	-	875
Asylum Seekers' Hardship	4,300	-	960	-	3,340
B&TWD	-	17,378	-	-	17,378
Baines	557	2,300	-	-	2,857
Nancy Barbour Award	2,250	5,839	5,000	-	3,089
Sir Jeremy Beecham	(210)	1,520	1,800	-	(490)
Barbara & Chris Beith	197	245	275	-	167
Bellingham	1,211	2,698	2,000	-	1,909
Berwick Community Support	40	-	-	40	-
Bird Family	359	1,201	1,225	-	335
Canford Audio	(130)	380	-	-	250
Capacitybuilders CPP	8,095	210,438	207,606	5,469	5,458
Capacity Builders Regional	40	-	-	-	40
Capacity Builders Tyne & Wear	4	-	-	-	4
Change up - Regional	-	-	(1,299)	-	1,299
Change up - Tyne & Wear	(903)	-	(903)	-	-
Chapman	12,484	25,117	37,378	-	223
Chevington Children's	-	27,274	-	2,000	25,274
Community Arts	232	-	-	232	-
Community Leaders	4,836	-	-	4,836	-
Community Ventures	54,084	-	674	19	53,391
Sir Tom Cowie	14,754	56,118	61,393	-	9,479
Duncan & Sarah Davidson	31	2,862	2,700	-	193
David Dockray's West End	-	-	-	-	-
Young People's	-	42,381	37,030	-	5,351
Durham	-	2,425	1,814	-	611
eaga Community	-	159,500	126,804	5,500	27,196
Evangelical	(2,377)	8,034	5,000	-	657
Evening Chronicle Sunshine	151,358	284,893	119,258	185,291	131,702
Express Enterprise	-	93	-	-	93
Fair Share - Blyth	39,645	62,813	176,952	23	(74,517)
Fair Share - Wansbeck	(47,060)	87,712	-	23	40,629
FARNE	5,488	13,959	22,159	(247)	(2,465)
Fergusons of Blyth	1,095	6,205	4,000	-	3,300
Four Acre Trust	1	-	-	-	1
Carried forward	295,814	1,114,709	917,913	203,434	289,176

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

14 Income funds - restricted (continued)

	At 1 April 2007	Income and transfers	Grants	Other outgoings and transfers	At 31 March 2008
	£	£	£	£	£
Brought forward	295,814	1,114,709	917,913	203,434	289,176
David Goldman Awards	157	28,370	28,379	-	148
Allison Greenlees Continuation	(20)	6,008	6,250	-	(262)
Green Scheme	2,192	5,586	3,000	500	4,278
Grounds Family	228	334	-	-	562
Jackie Haq Fund for Scotswood	1,879	1,527	-	-	3,406
Hays Travel	145	-	145	-	-
Hazelhurst	-	20,000	20,000	-	-
Henry Smith Charity	403,500	996,600	958,200	-	441,900
Heyman Scholarships	(89)	3,003	(2,300)	-	5,214
Joy Higginson	1,203	1,273	1,203	-	1,273
High Sheriff of Northumberland	4,148	24,264	23,700	2,047	2,665
Included Communities	43,248	1,158,385	1,129,508	87,666	(15,541)
Jim Smail Tree	2,771	-	2,761	-	10
Josephs Family	840	4,500	4,340	250	750
JPMorgan	2,379	4,335	3,500	-	3,214
Kellett	21,582	358,502	370,991	164	8,929
Lady Grey Memorial	405	136	500	-	41
Latterford	611	400	600	-	411
Local Action on Global Issues	34	95,549	142,974	(40,000)	(7,391)
Lyndhurst	81,341	6,113	34,059	3,700	49,695
George Loggie	(5,669)	1,333	2,963	(11,000)	3,701
Men's Health	93	97	-	-	190
Men's Initiative	36,206	20,977	-	128	57,055
NEA Silver Jubilee	4,000	-	2,917	-	1,083
North East e-Learning	616	-	-	-	616
Northern Angel	2,260	23,690	13,411	(40)	12,579
North Tyneside	377	1,316	1,340	-	353
Northumberland Group	338,793	53,806	104,675	9,105	278,819
Northumberland Local Network	1,489	283,943	237,324	44,952	3,156
P&G Arts & Business Cards	785	-	-	785	-
Patch	11,949	14,950	5,250	11,000	10,649
Percy Family	502	4,327	4,700	-	129
Port of Tyne	20,500	30,000	11,400	2,250	36,850
Owen Pugh	-	11,000	10,000	1,000	-
Readman Foundation	716,541	37,086	62,054	8,261	683,312
Carrie Reay	17,848	-	17,041	764	43
Jane Robertson Alnwick	877	906	1,000	-	783
Brian Roycroft	2,797	12,523	3,012	65	12,243
Sage Gateshead	2,974	665,399	660,539	-	7,834
Sammy Johnson Memorial	2,704	51,303	10,882	(1,138)	44,263
Share Family	21,361	-	14,309	500	6,552
Smail Family	1,182	2,116	2,000	-	1,298
SMDHydrovision	22,379	30,001	28,941	2,250	21,189
South Tyne Valley	24,938	44,160	56,413	-	12,685
Sponsors Club for Arts & Business	59,560	177,645	37,467	113,044	86,694
Sport Relief	81,795	65,000	72,500	5,750	68,545
Taylor	9,043	20,598	18,542	-	11,099
Three Valleys	878	1,859	1,000	-	1,737
Carried forward	2,239,146	5,383,629	5,025,403	445,437	2,151,935

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

14 Income funds - restricted (continued)

	At 1 April 2007	Income and transfers	Grants	Other outgoings and transfers	At 31 March 2008
	£	£	£	£	£
Brought forward	2,239,146	5,383,629	5,025,403	445,437	2,151,935
Tiny Lives	264,923	333,543	109,205	106,411	382,850
Trusthouse Charitable Foundation	-	60,000	60,000	-	-
Trust Trevelyan	-	1,000	-	-	1,000
Tyne & Wear High Sheriff Awards	1,981	22,704	20,750	1,653	2,282
Tyne & Wear Local Network	15,589	906,209	786,043	113,726	22,029
Ted Weekes	7,997	7,514	7,750	-	7,761
UK Land Estates	8	10,000	9,008	1,000	-
Voluntary Arts England	-	22,455	22,455	-	-
CH Wood	(3)	5,299	5,000	-	296
Women's	4,052	20,032	16,008	2,739	5,337
Young Musician's	5,577	5,165	8,684	-	2,058
Total Community Foundation	2,539,270	6,777,550	6,070,306	670,966	2,575,548
Joseph Brough Charitable Trust	10,427	32,275	34,260	-	8,442
Tyne & Wear Foundation Trust	4,424	11,065	14,478	-	1,011
Tyne & Wear Foundation Ltd	(30)	47,165	-	47,165	(30)
Total Group	2,554,091	6,868,055	6,119,044	718,131	2,584,971

Income and transfers include credits of £660,571 transferred from the endowment fund to distribute as income on a total returns basis. Other outgoings include transfers between funds of £269,331, staff costs of £214,095, and other fund expenses and fundraising event costs of £234,705. The Women's Fund includes income from People of Ward Hadaway in memory of Sue Watts fund, Sunshine Fund includes income from Muriel Campbell fund and Brian Roycroft fund includes income from the Tessa Hide fund.

Community Foundation

serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

15 Income Funds -unrestricted

As well as a general administrative unrestricted fund (included below for completeness) the Community Foundation holds the following designated funds which the Directors regard as unrestricted because they are used for general charitable purposes in the Community Foundation's area of benefit although grants may still be made on recommendations from the donor. The funds are to be used for grantmaking and grants are awarded throughout the year when committees meet and make recommendations to the Board. Since the year end the funds in deficit at 31 March 2008 have received sufficient funds to return them to credit.

	At 1 April 2007	Income and transfers	Grants	Other outgoings and transfers	At 31 March 2008
	£	£	£	£	£
Adderstone	-	5,561	-	-	5,561
Anonymous	50	(2)	-	-	48
Anonymous	634	3,282	4,000	-	(84)
Bank of England	-	1,000	700	300	-
Barnes	917	1,664	-	-	2,581
Peter & Angela Barratt	-	15,385	-	-	15,385
Peter Barratt's Garden					
Centres	2,651	-	2,651	-	-
John Bell	2,410	33,167	29,280	500	5,797
Bellway	2,595	3,909	4,300	250	1,954
Benfield Motors	7,175	2,435	7,173	-	2,437
BNS Telecom	-	10,000	750	1,000	8,250
Bonas Machine Company	1,132	894	1,000	-	1,026
Ron Bowey	4,919	22,257	14,291	-	12,885
Carr-Ellison Charitable Trust	320	10,902	10,900	500	(178)
CE Electric	4,711	8,966	7,110	-	6,567
Chrysalis	-	552	-	-	552
Roland Cookson	(974)	57,818	37,500	2,021	17,323
Muscular Skeleto	554	-	-	554	-
Fogo	738	6,302	6,176	-	864
Gateshead Housing					
Company Community	106,000	-	58,414	19,000	28,586
George & Peggy	1,848	5,127	1,848	-	5,127
Grainger Charitable	25,200	-	20,562	-	4,638
Michael & Christine Heppell	1,965	3,290	1,416	-	3,839
Hugonin Family	200	7,500	4,500	500	2,700
HYPF	8,954	6,176	9,000	-	6,130
I'Anson Family	2,537	2,601	2,590	-	2,548
Keepmoat	7,083	-	7,083	-	-
Abdul Latif, Lord of					
Harpole, Memorial	-	170	-	-	170
William Leech Charity	20,747	26,252	20,193	-	26,806
Leech Challenge	5,626	3,139	(3,500)	-	12,265
Linden Family	9,033	18,895	27,833	-	95
Helen McArdle	-	250,000	59,336	4,167	186,497
Maudslay Family	1,459	488	-	-	1,947
G S May Family	1,688	5,218	3,250	-	3,656
Middleton Community					
Enterprises	-	12,821	3,000	1,282	8,539
Muckle LLP	40,305	40,101	38,133	2,000	40,273
Carried forward	260,477	565,870	379,489	32,074	414,784

Community Foundation
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Notes to the accounts (continued)

15 Income Funds - unrestricted (continued)

	At 1 April 2007 £	Income and transfers £	Grants £	Other outgoings and transfers £	At 31 March 2008 £
Brought forward	260,477	565,870	379,489	32,074	414,784
North East Brewers Association	528	6,322	4,622	-	2,228
Newcastle Brown Ale	(414)	22,595	17,453	2,000	2,728
Newcastle Building Society Community	2,611	78,553	44,638	20,875	15,651
Northumbrian Water	363	4,104	4,282	-	185
PricewaterhouseCoopers	821	1,681	2,000	-	502
Prime	687	11,126	2,225	-	9,588
P&G	19,998	66,942	48,363	13,000	25,577
David & Susan Ratliff	-	12,821	1,977	-	10,844
Guy Readman	332	-	-	-	332
Ridley Family	2,656	43,000	19,046	6,000	20,610
Ringtons	3,761	22,681	13,908	-	12,534
Rolls-Royce	294	1,212	-	-	1,506
Joseph Rowntree Charitable Trust	36,700	15,280	-	-	51,980
St Cuthbert's	4,995	1,027	-	-	6,022
Sage Community	170,901	60,000	129,490	3,000	98,411
Johnnie & Tricia Smith	394	527	650	-	271
Specials Laboratory	6,303	22,000	19,276	2,000	7,027
Barry & Faga Speker	3,692	-	300	500	2,892
Staff Giving	1,166	1,158	2,026	-	298
Star	3,799	9,520	9,354	-	3,965
Roy Stewart	-	87	-	-	87
TESS	711	1,500	2,120	-	91
Treeline	384	2,170	2,200	-	354
Vaux	6,056	8,399	14,100	-	355
Ward Hadaway	1,591	1,279	1,900	-	970
Watkin Family	8,673	31,119	21,000	-	18,792
Wear1	500	6,847	5,650	600	1,097
Willis Charitable	1,097	1,323	-	-	2,420
Winter Family	-	293	-	-	293
Other general grantmaking funds	217,737	140,881	42,964	46,622	269,032
Total designated funds	756,813	1,140,317	789,033	126,671	981,426
Administrative fund	505,969	718,570	-	620,145	604,394
Total unrestricted funds	1,262,782	1,858,887	789,033	746,816	1,585,820

Income and transfers include £360,697 transferred from the endowment fund to distribute as income on a total returns basis. Other outgoings and transfers consist of credits of £179,543 transfers between funds, less £645,740 staff costs, £79,815 outreach & evaluation costs, £2,021 designated fund expenses and other administrative costs of £198,783.

A number of funds contribute to the Community Foundation's general unrestricted grant fund, including Ian and Jane Gregg, Greggs plc, Sir James Knott Trust, Mitford, Northern Rock plc, Templeton, Tyne Tees Television, Tolent, and two anonymous funds. In addition to the funds listed in restricted and unrestricted funds there are 37 acorn funds, a number of which currently donate their income to other funds. A full listing of acorn funds can be found on our website; www.communityfoundation.org.uk and they will appear in the above analysis once they reach maturity.

Community Foundation
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Notes to the accounts (continued)

16 Analysis of group net assets between funds

	Unrestricted funds	Restricted funds	Endowment funds	2008 Total
	£	£	£	£
Investments	-	-	41,285,099	41,285,099
Tangible fixed assets	18,741	-	-	18,741
Current assets	1,858,463	3,755,796	255,094	5,869,353
Current liabilities	(291,384)	(1,170,825)	(77,028)	(1,539,237)
Total net assets	1,585,820	2,584,971	41,463,165	45,633,956

17 Financial commitments

At 31 March 2008 the group had annual commitments under non-cancellable operating leases as follows:

	Land & buildings 2008 £	Land & buildings 2007 £
Expiry date:		
Within two to five years	63,500	63,500
Over five years	-	-
	63,500	63,500

18 Pensions

The Community Foundation contributes to a number of defined contribution pension schemes. The assets of the schemes are held separately from those of the Community Foundation in independently administered funds. The pension charge represents contributions by the Community Foundation to the funds and amounted to £53,043 (2007: £47,349). Outstanding contributions at 31 March 2008 were £3,016 (2007: £1,210).

Community Foundation

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Notes to the accounts (continued)

19 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 by paragraph 422 of the Statement of Recommended Practice 2005, no separate company Statement of Financial Activities has been presented for the Community Foundation serving Tyne and Wear and Northumberland within these financial statements. The Company's gross income for the year was £10,054,942 (2007: £8,940,205) and its net incoming resources for the year were £1,693,743 (2007: £3,041).

The company made an unrealised loss on investments of £1,815,394 (2007: £2,808,827 gain). The company's net decrease in funds was £1,552,426 (2007: £1,515,638 increase).

The Community Foundation owns the whole of the issued share capital of Tyne & Wear Foundation Limited, a company registered in England. The subsidiary is used to carry out larger fundraising events on behalf of the charity. The total net profit of the subsidiary is gifted to the Community Foundation, £39,266 was gift aided in June 2008 (2007:nil). A summary of results of the subsidiary company is shown below:

	Total 2008 £	Total 2007 £
Turnover	86,431	-
Cost of sales	(47,140)	-
Operating (loss) / profit	39,291	-
Administrative costs	(25)	(30)
Net profit/(loss)	39,266	(30)
	Total 2008 £	Total 2007 £
The aggregate of the assets and liabilities was:		
Assets	50,721	70
Liabilities	(50,651)	-
Net Assets	70	70

Community Foundation
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Notes to the accounts (continued)

19 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
	2008	2007
	£	£
Investment income	37,275	32,431
Charitable expenditure	(39,260)	(37,000)
Investment management costs	(2,583)	(2,032)
Gains and losses on investments	(72,427)	51,317
Net movement in funds	(76,995)	44,716

The aggregate of the assets, liabilities and funds was:

	Total	Total
	2008	2007
	£	£
Assets	1,170,359	1,242,354
Liabilities	(5,000)	-
Funds	1,165,359	1,242,354

Represented by:

	Total	Total
	2008	2007
	£	£
Permanent endowment fund	1,156,917	1,231,927
Restricted funds	8,442	10,427
Funds	1,165,359	1,242,354

Community Foundation
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Notes to the accounts (continued)

19 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
	2008	2007
	£	£
Donations	230	21,064
Investment income	16,633	15,025
Investment management costs	(2,926)	(2,041)
Charitable expenditure	(20,046)	(16,417)
Gains and losses on investments	(70,529)	18,726
Net movement in funds	(76,638)	36,357

The aggregate of the assets, liabilities and funds was:

	Total	Total
	2008	2007
	£	£
Assets	473,908	545,874
Liabilities	(4,672)	-
Funds	469,236	545,874

Represented by:

	Total	Total
	2008	2007
	£	£
Permanent endowment fund	468,225	541,450
Restricted funds	1,011	4,424
Funds	469,236	545,874

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

20 Related party transactions

In the ordinary course of the Charity's activities, it has awarded grants and outreach contracts to other charities or organisations that have common Trustees/Directors with Community Foundation serving Tyne & Wear and Northumberland or are employed by that organisation. All grants and outreach contracts have been awarded using the same guidelines as any other grant or contract. Directors are always required to declare their interest in any organization being considered for a grant and do not take part in any such decisions. Directors and their associated companies donated a total of £257,825 to Community Foundation during the year, (2007: £459,804) to named endowment and revenue funds.

Full details are given below of grants awarded and outreach payments made during the year.

Organisation	Director involved	Relationship	Total grants £	Total outreach £
Gateshead CAB	Lisa Charlton	Employee	60,100	-
Bridge Women's Education & Support Project	Sheila Davidson MBE	Employee	4,000	-
Age Concern Newcastle	Pamela Denham CB,DL	Trustee	25,412	-
University of Sunderland Development Trust	Pamela Denham CB,DL	Trustee	1,000	-
County Durham Foundation	Mark I'Anson	Trustee	4,814	-
Wansbeck CVS	Rodney James	Trustee	-	3,000
Sunderland AFC Foundation	Jamie Martin OBE	Committee Member	2,000	-
Brinkburn Music	Richard Maudslay CBE	Chairman	700	-
North Music Trust	John Squires OBE, DL	Director	692,918	-
Bliss- Ability	Shobha Srivastava	Trustee	29,375	-
Hindu Nari Sangh	Shobha Srivastava	Chair	3,050	-
Apna Ghar	Shobha Srivastava	Trustee	3,698	-
North Tyneside VODA	Jan Worters	Employee	53,165	5,000

Community Foundation
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Notes to the accounts (continued)

21 Cashflow information for the group

Reconciliation of net cashflow to movement in net funds

	2008 £
Increase in cash in period	246,925
Increase in short term deposits	453,199
Movement in net funds in the year	700,124
Net funds at 1 April 2007	5,107,160
Net funds at 31 March 2008	5,807,284

Analysis of net funds

	1 April 2007 £	Cashflow £	31 March 2008 £
Cash at bank and building society	2,816,576	246,925	3,063,501
Short term deposits	2,290,584	453,199	2,743,783
Net funds	5,107,160	700,124	5,807,284

22 Ultimate controlling party

The Directors do not consider that the Community Foundation has an ultimate controlling party because the Community Foundation has a large and wide ranging membership who elect the Board and would all be required to agree any changes to the memorandum and articles.