

Community Foundation

serving Tyne & Wear and Northumberland

(A company limited by guarantee)

Directors' report and accounts for the year ended 31 March 2009

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 2009

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

Annual report for the year ended 31 March 2009

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 the 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. At the year end Evening Chronicle Sunshine Fund was in the process of being transferred to a separate new charity to operate solely for their objectives.

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 2009 (continued)

Advisers:

Independent Auditors

PricewaterhouseCoopers LLP
89 Sandyford Road
Newcastle upon Tyne
NE1 8HW

Main 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

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

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 2009 (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 C 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 attends an induction session with the executive officers and Chair. The Governance Committee review training needs of the Directors and arrange training as required. 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. Board members also volunteer their services to assist in Community Foundation activities, such as evaluation visits and public speaking during the year.

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

- Agrees an operating budget
- Receives quarterly management accounts
- Agrees annual objectives
- Reviews three-year objectives
- Monitors performance within agreed targets
- Considers 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 2009 (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)
- Executive Committee (Exec)
- Governance Committee (Gov)
- Philanthropy Committee (Phil)
- Investment Committee (Inv)

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

Hugh Welch - Chair	(Exec, Gov)
co-opted October 2001, elected October 2003	
Richard Maudslay CBE –Deputy Chair	(Dev, Exec, Gov)
co-opted October 2003	
Jan Worters MBE – Deputy Chair	(Exec, Phil, Gov, E&D)
co-opted October 2000	
John Josephs – Treasurer	(Exec, Inv)
elected October 2003, re-elected November 2006	
Lisa Charlton	(Phil, E&D)
elected October 2004	
Jo Curry	(Phil)
elected October 2008	
Sheila Davidson MBE	
elected October 2005, retired October 2008	
Jill Dixon	(Exec, Audit)
co-opted October 2006	
Chris Drinkwater CBE	(Phil)
co-opted October 2006	
Charles Harvey	(Phil)
co-opted October 2008	
Dean T. Huggins	(Phil, E&D)
elected October 2008	
Mark I'Anson	(Dev)
elected October 2007	
Rodney James	
co-opted October 2005, retired October 2008	
Andrew Kerr	(Audit)
appointed October 2005 to represent local authorities	
Jamie Martin OBE	(Dev)
co-opted October 2006	
Elizabeth Prudhoe	(Phil)
elected October 2008	
Colin Seccombe	(Dev, Inv, Exec)
elected October 2007	
John Sands	(Inv)
elected October 2005	
Trevor Shears OBE	(Inv)
co-opted October 2003	

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

Annual report for the year ended 31 March 2009 (continued)

Structure, Governance and Management (continued)

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, retired October 2008

Shobha Srivastava

co-opted October 2003

(Phil)

Jane Streater

elected October 2002, re-elected 2004, re-elected 2007, retired November 2008

Rani Svanberg

elected October 2006, retired October 2008

William Teasdale

elected October 2002, re-elected October 2005, retired October 2008

Susan Winfield OBE

co-opted October 2006

(Exec)

Ashley Winter OBE

elected October 2008

(Audit)

The following members of the Board served during the year but retired before the year end: Sheila Davidson, Rodney James, John Squires, Rani Svanberg and William Teasdale. Members who will retire at 2009 Annual General meeting are John Josephs, Jan Worters, Trevor Shears and Shobha Srivastava. Colin Seccombe has been invited by the Board to succeed John Josephs as Treasurer. Board members retiring by rotation and eligible for re-election at the Annual General Meeting are Lisa Charlton, Chris Drinkwater and Hugh Welch.

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.

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

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

In July 2009 George Hepburn retired and Rob Williamson was appointed as Chief Executive. Rob was previously Director of Policy and Communications at Northern Rock Foundation. The Board was advised by Prospectus, which specialise in senior third sector appointments. George had held the post of Chief Executive since the Community Foundation's incorporation. The Board wishes to acknowledge George's outstanding commitment to the Community Foundation, successfully building it up over the years to become the largest Community Foundation in the United Kingdom and playing a major role in the development of the community foundations concept nationally.

At the year end there was a total of 23 core staff and 9 project staff (total 27 full time equivalent).

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

Annual report for the year ended 31 March 2009 (continued)

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 May 2009 were:-

- A further stock market crash
- Unable to generate sufficient new donors
- Failure to deal with adverse publicity
- Donors lose confidence in Community Foundation
- Loss of corporate donors

Objectives and Activities

The Community Foundation's three aims are:

- 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 Community Foundation 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.

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.

A new three-year plan was implemented during the year which placed an emphasis on encouraging donors to seek opportunities for more strategic grantmaking. The three-year plans was revised in the last quarter to take account of the falling endowment values and economies totalling £100k were agreed to be implemented in April 2009.

The predominant activity is grantmaking but the Community Foundation also devotes resources to development and donor education which aim to increase local philanthropy. The Community Foundation had a highly acclaimed conference on social capital in June 2008 addressed by Professor Robert Putnam and Rt Hon Hazel Blears.

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

Annual report for the year ended 31 March 2009 (continued)

Objectives and Activities (continued)

It completed the first three years of a pilot grantmaking programme on environmental action in partnership with The Greggs Trust, The Shears Foundation, Sir James Knott Trust and an anonymous donor. The partners agreed to continue this initiative for a further three years. The Community Foundation has monitored its own environmental footprint and continued to contract with specialist advisors to monitor the environmental credentials of companies in the investment portfolio.

There was a special series of events during the summer 2008 to mark the 20th Anniversary of the Community Foundation, principally sponsored by Muckle LLP, Ringtons Tea and Ryders. These culminated in Tea at the Castle when the President, the Duke of Northumberland, entertained about 500 members and guests. A major art work, "Sustenance", was made by about 1,000 people during the celebrations and was presented to Newcastle City Council to hang in the new City Library.

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

Achievements and Performance

The Community Foundation awarded 1562 grants (2008: 1,769) totalling £5.2m (2008: £7m) 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
Community Foundation Funds	1,246	3,345,864
Fair Share	11	389,234
Grassroots grants	271	658,906
Henry Smith Charity	34	781,900
Total grants awarded by the full group	1,562	£5,175,904

The majority of grants continued to be for amounts of under £5,000 and to provide practical support for small community groups. The total value of grants awarded has fallen by 25% compared to 2008 mainly due to government grant programmes, Included Communities and Local Network Funds, coming to an end in 2008. The Community Foundation works with outreach partners to ensure that grants are available to new and grass roots projects.

In July, the Community Foundation was appointed by Office of the Third Sector to manage Grassroots funds throughout Tyne & Wear and Northumberland. This programme provides £643,000 a year in grants to "grassroots" groups and also £2m over three years as incentives to individual and corporate donors to establish grassroots endowment funds. 18 grassroots funds had been established by the year end and the full allocation of incentive funding claimed.

The Community Foundation provided grantmaking services for 1989 Willan Charitable Trust, which awarded grants of £514,407 in this financial year. These grants are not included in the grants awarded figure above as the grants were made directly from that organisation.

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

Annual report for the year ended 31 March 2009 (continued)

Achievements and Performance (continued)

There continued to be good levels of new donations including £100,000 to the Women's Fund, and sums in excess of £50k to the Winter Family Fund, The Sage Gateshead Fund, The Linden Fund and The Three Valleys Fund. P&G completed a long-term commitment to build a £1m endowment fund in the summer and new corporate funds were set up by Nigel Wright Consultancy and SCM Pharma. The Community Foundation also received £162,000 from the sale of assets of Gosforth Theatre Company, which will form a new fund to support amateur theatre.

Financial Review

Net Assets at 31 March 2009 were £36m (2008: £45.6m). £32.5m of the assets related to endowment funds (2008: £41.4m). Following worldwide stock market decline the total unrealised and realised losses amounted to £9.8m. There were new donations to the endowment funds during the year of £1.5m, fees and transfers out of endowment of £0.6m. 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 UBS Wealth Management, (appointed May 2008), to achieve maximum total returns and provide an agreed amount annually for grantmaking. The Investment Committee meet with Investec and UBS 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. However due to the financial turmoil this year the Committee met with managers more regularly. In these exceptionally difficult times both of the investment managers slightly underperformed the benchmark for the full year, but were ahead of benchmark in the final quarter. There is separate provision for donors who wish to invest ethically.

Incoming resources for the year totalled £7m (2008: £10.1m). Grants from public bodies fell by over £1.5m mainly due to the completion of Local Network Fund and Included Communities Fund at March 2008. Furthermore endowment donations were down £1m, but last year's figure included the sale proceeds of West End Boy's Club of just under £1m establishing the David Dockray's West End Young People's Fund. The main sources of income were new donations, grants from public bodies and investment income. The main resources expended were for charitable grants of £5.1m net (2008: £6.9m). There were additional costs involved for the Sponsors Club, Sunshine Fund and Tiny Lives projects, conference and for outreach contracts and investment charges. After deducting these costs expenditure for support costs, development costs, management and administration, was 16% of total expenditure (2008: 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 the Healthy, Wealthy and Wise conference and a project to celebrate the Community Foundation's 20th anniversary.

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 2009 of £1,425,258 includes £873,597 set aside for designated funds which are solely for future grantmaking, and the balance of £551,661 (2008: £604,394) is a general reserve available to meet future administration and

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

Annual report for the year ended 31 March 2009 (continued)

Reserves (continued)

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

The Community Foundation revised its business plan and forward budgets in March 2009 to take account of lower investment income and short term interest following the severe fall in market values. The Board agreed to draw on its reserves over the next three years and also to make economies designed to reduce expenditure by £100,000 a year.

The Community Foundation anticipates increased demand for support from groups in disadvantaged areas, where activity levels are increasing because of the recession. It is concerned that statutory support to these projects will decrease following public expenditure cuts. The Grassroots programme will continue for a further two years and will encourage new endowment funds and the Board is reasonably confident of continuing donations to support its activities.

Statement of Directors' Responsibilities

The Directors (who are also trustees of the Community Foundation) are responsible for preparing the Directors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 charitable company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

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 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

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

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

Annual report for the year ended 31 March 2009 (continued)

Statement of Directors' Responsibilities (continued)

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

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
7 October 2009

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 the Community Foundation serving Tyne & Wear and Northumberland for the year ended 31 March 2009 which comprise the Consolidated statement of financial activities, the Consolidated income and expenditure account, the Group and Charity Balance sheets, the Consolidated cashflow statement and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' (who are also trustees of the Community Foundation serving Tyne & Wear and Northumberland) responsibilities for preparing the Directors' 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 Directors' 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 and whether the information given in the Directors' Annual Report is consistent with those financial statements.

We also report to you if, in our opinion, the charity 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 Directors' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

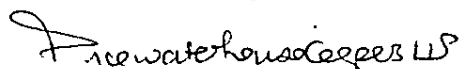
Basis of opinion

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 2009 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

8 October 2009

Community Foundation
serving Tyne & Wear and Northumberland

Consolidated statement of financial activities
for the year ended 31 March 2009

	Note	Unrestricted funds	Restricted funds	Endowment funds	Total 2009	Total 2008
		£	£	£	£	£
Incoming resources						
Incoming resources from generated funds:						
Voluntary income:						
Donations		499,071	1,994,720	1,233,518	3,727,309	5,290,223
Grants from public bodies		142,353	916,382	208,244	1,266,979	2,800,107
Activities for generating funds:						
Fundraising events		84,298	233,429	-	317,727	404,173
Investment income	1	684,217	965,364	-	1,649,581	1,635,370
Other incoming resources		21,279	-	-	21,279	15,804
Total incoming resources		1,431,218	4,109,895	1,441,762	6,982,875	10,145,677
Resources expended						
Costs of generating funds:						
Costs of generating donations	3	281,095	137,797	-	418,892	310,466
Costs of fundraising events	4	84,236	182,390	-	266,626	270,442
Investment managers' fees		-	-	154,776	154,776	179,375
Charitable activities	5	1,462,437	4,411,918	-	5,874,355	7,610,511
Governance costs	6	78,424	9,713	-	88,137	76,013
Other resources expended		21,279	-	-	21,279	15,804
Total resources expended		1,927,471	4,741,818	154,776	6,824,065	8,462,611
Net incoming resources before transfers		(496,253)	(631,923)	1,286,986	158,810	1,683,066
Gross transfers between funds	13-15	335,691	95,941	(431,632)	-	-
Net incoming resources before taxation		(160,562)	(535,982)	855,354	158,810	1,683,066

Community Foundation
serving Tyne & Wear and Northumberland

**Consolidated statement of financial activities
for the year ended 31 March 2009 (continued)**

	Note	Unrestricted funds	Restricted funds	Endowment funds	Total 2009	Total 2008
		£	£	£	£	£
Net incoming resources before taxation		(160,562)	(535,982)	855,354	158,810	1,683,066
Taxation	12	-	-	-	-	-
Net incoming resources before other recognised gains/losses		(160,562)	(535,982)	855,354	158,810	1,683,066
Gains & losses on investment assets	8	-	-	(9,779,634)	(9,779,634)	(3,389,125)
Net movement in funds		(160,562)	(535,982)	(8,924,280)	(9,620,824)	(1,706,059)
Fund balances brought forward at 1 April 2008		1,585,820	2,584,971	41,463,165	45,633,956	47,340,015
Fund balances carried forward at 31 March 2009		1,425,258	2,048,989	32,538,885	36,013,132	45,633,956

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 2009**

	Note	2009	2008
		£	£
Income - continuing operations			
Donations		2,493,791	2,850,220
Grants from public bodies		1,058,735	2,800,107
Fundraising events		317,727	404,173
Investment income		1,649,581	1,635,370
Other income		21,279	15,804
		5,541,113	7,705,674
Expenditure - continuing operations			
Grants	5	5,123,262	6,908,077
Staff costs	7	843,517	859,835
Other costs		702,510	515,324
		6,669,289	8,283,236
Net deficit for the year before transfers, investment asset disposals and taxation		(1,128,176)	(577,562)
Transfer from endowment fund		431,632	931,480
Taxation	12	-	-
Net (deficit)/surplus for the year		(696,544)	353,918

The total income of £5,541,113 comprises £1,431,218 for unrestricted funds and £4,109,895 for restricted funds as shown in the statement of financial activities. The total expenditure of £6,669,289 comprises £1,927,471 for unrestricted funds and £4,741,818 for restricted funds as shown in the statement of financial activities.

Community Foundation
serving Tyne & Wear and Northumberland

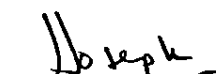
Balance sheets as at 31 March 2009

	Note	Group 2009 £	Group 2008 £	Charity 2009 £	Charity 2008 £
Fixed assets					
Endowment fund investments	8	32,395,403	41,285,099	31,182,791	39,707,730
Investments	8	-	-	100	100
Tangible assets	9	20,659	18,741	20,659	18,741
		32,416,062	41,303,840	31,203,550	39,726,571
Current assets					
Debtors	10	44,841	62,069	68,036	114,423
Cash on short term deposit		3,934,730	2,743,783	3,934,730	2,743,783
Cash at bank and building society		1,033,541	3,063,501	964,842	2,951,029
Total current assets		5,013,112	5,869,353	4,967,608	5,809,235
Creditors: amounts falling due within one year	11	(1,416,042)	(1,539,237)	(1,409,406)	(1,536,415)
Net current assets		3,597,070	4,330,116	3,558,202	4,272,820
Total assets less current liabilities		36,013,132	45,633,956	34,761,752	43,999,391
Capital funds					
Endowment fund	13	32,538,885	41,463,165	31,306,280	39,838,023
Income funds					
Restricted	14	2,048,989	2,584,971	2,030,214	2,575,548
Unrestricted	15	1,425,258	1,585,820	1,425,258	1,585,820
Total funds		36,013,132	45,633,956	34,761,752	43,999,391

The accounts on pages 12 to 39 were approved by the Board on 7 October 2009 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 2009

	Note	Group 2009 £	Group 2008 £
Net incoming resources before revaluations and taxation		158,810	1,683,066
Investment income		(1,376,895)	(1,333,224)
Interest receivable		(272,686)	(302,146)
Receipts of endowment funds		(1,441,762)	(2,440,003)
Depreciation		9,288	13,794
Decrease in debtors		17,228	2,170
Increase/(decrease) in creditors		(123,195)	329,394
Net cash outflow from operating activities		(3,029,212)	(2,046,949)
Returns on investments and servicing of finance			
Investment income		1,376,895	1,333,224
Interest receivable		272,686	302,146
		1,649,581	1,635,370
Taxation			
Tax paid		-	-
Capital expenditure and financial investment			
Payments to acquire fixed assets		(11,206)	(4,913)
Purchase of investments		(23,740,429)	(27,277,629)
Proceeds from sale of investments		22,850,491	25,954,242
		(901,144)	(1,328,300)
Management of liquid resources			
Increase in short term deposits	21	(1,190,947)	(453,199)
Financing			
Receipts of Endowment Funds		1,441,762	2,440,003
(Decrease)/increase in cash in year	21	(2,029,960)	246,925

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 2009.

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 in 2005 year end was revalued by property consultants during 2008 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 £751,734 (2008:£1,021,268) in excess of investment income, was transferred from the endowment fund to restricted (£474,475) and unrestricted (£277,259) 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 2009

1 Investment income

	2009 £	2008 £
Dividends & interest from endowment fund assets	1,376,895	1,333,224
Interest receivable on cash deposits	272,686	302,146
	1,649,581	1,635,370

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 2009 £	Total 2008 £
Staff costs	48,128	11,831	97,047	7,301	164,307	164,189
Overhead costs	65,159	18,824	117,711	14,030	215,724	101,239
	113,287	30,655	214,758	21,331	380,031	265,428
Included in overhead costs are the following:					2009 £	2008 £
Operating lease rentals - land and buildings					63,500	63,500
Depreciation					9,288	13,794

3 Costs of generating donations

	2009 £	2008 £
Staff costs	206,654	177,984
Direct costs	98,951	62,339
Support costs	113,287	70,143
	418,892	310,466

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

4 Costs of fundraising events

	2009	2008
	£	£
Staff costs	61,774	69,253
Direct costs	174,197	181,700
Support costs	30,655	19,489
	266,626	270,442

5 Charitable activities

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

	2009	2008
	£	£
Grants payable	5,123,262	6,908,077
Staff costs	363,222	404,555
Outreach & evaluation costs	37,502	79,815
Direct costs	135,611	55,496
Support costs	214,758	162,568
	5,874,355	7,610,511

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

	2009 £	2009 Number	2008 £	2008 Number
Grants approved for payment:				
Other charities & voluntary organisations	4,995,560	1,229	6,823,418	1,474
Individuals	180,344	333	150,102	295
Total new grants awarded in the year	5,175,904	1,562	6,973,520	1,769
Grants cancelled	(52,642)		(65,443)	
Total grant expenditure	5,123,262	1,562	6,908,077	1,769

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

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

6 Governance costs

	2009	2008
	£	£
Staff costs	47,560	43,854
Auditors remuneration:		
- Audit services	7,500	7,500
Legal & professional	1,250	2,385
Trustee expenses	230	838
Direct costs	10,266	8,208
Support costs	21,331	13,228
	88,137	76,013

7 Staff costs

Staff costs comprise the following:	2009	2008
	£	£
Salaries	714,060	735,002
Social security costs	70,363	71,790
Other pension costs	59,094	53,043
	843,517	859,835

The average number of employees, excluding directors, employed by the group during the year was 31 (2008: 32).

None of the directors received any remuneration during the year (2008: Nil). 2 of the directors received reimbursements for expenses during the year (2008: 3). The total of the reimbursements amounted to £230 (2008: £838).

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

	2009	2008
	Number	Number
£60,001 to £70,000	-	1
£70,001 to £80,000	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 1 April 2008	32,628	40,163,242	851,728	237,501	41,285,099
Additions in the year	-	21,878,949	1,861,480	-	23,740,429
Disposals in the year	(26,903)	(22,823,588)	-	-	(22,850,491)
Realised (losses) in the year	(5,725)	(2,928,751)	-	-	(2,934,476)
Unrealised (losses) in the year	-	(6,845,158)	-	-	(6,845,158)
At 31 March 2009	-	29,444,694	2,713,208	237,501	32,395,403
At cost					
At 31 March 2009	-	33,678,973	2,713,208	173,001	36,565,182
At 31 March 2008	33,962	38,679,960	851,728	173,001	39,738,651

	2009 Market Value £	2008 Market Value £
Listed investments are detailed as follows:		
UK Fixed Interest	5,213,894	4,278,276
UK Equities	15,402,836	23,562,994
Property	567,161	965,494
Hedge Funds	160,334	198,983
Overseas Fixed Interest	932,653	979,368
Overseas Equities	7,167,816	10,178,127
	29,444,694	40,163,242

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 1 April 2008	32,628	38,585,873	851,728	237,501	39,707,730
Additions in the year	-	21,310,641	1,861,480	-	23,172,121
Disposals in the year	(26,903)	(22,280,646)	-	-	(22,307,549)
Realised losses in the year	(5,725)	(2,866,941)	-	-	(2,872,666)
Unrealised losses in the year	-	(6,516,845)	-	-	(6,516,845)
At 31 March 2009	-	28,232,082	2,713,208	237,501	31,182,791
At cost					
At 31 March 2009	-	32,321,754	2,713,208	173,001	35,207,963
At 31 March 2008	33,962	38,679,960	851,828	173,001	39,738,651

Other investments - Charity

At valuation	Unlisted investments £
At 1 April 2008	100
At 31 March 2009	100
At cost	
At 31 March 2009	100
At 31 March 2008	100

	2009 Market Value £	2008 Market Value £
Listed investments are detailed as follows:		
UK Fixed Interest	4,895,395	4,143,498
UK Equities	14,859,551	22,579,633
Property	547,102	897,120
Hedge Funds	157,925	194,277
Overseas Fixed Interest	904,582	957,993
Overseas Equities	6,867,527	9,813,352
	28,232,082	38,585,873

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

8 Investments (continued)

Endowment fund unlisted investments are shares registered on the Alternative Investment Market (AIM).

Other unlisted investments held by the charity relate to £100 (2008: £100) investment in the subsidiary company Tyne & Wear Foundation Limited at cost. At 31 March 2009, the charity owned all of the ordinary share capital, consisting of 100 ordinary shares, of Tyne & Wear Foundation Limited, a company registered in England and Wales which raises funds through fundraising events.

Realised gains and losses are calculated based on the market value brought forward plus any additions in the year. Total net realised losses calculated using historical cost was £2,399,106 (2008: £1,430,232 gains).

9 Tangible fixed assets

Group and Charity	Furniture & equipment £	Office improvements £	Total £
Cost			
At 1 April 2008	210,749	20,269	231,018
Additions	11,206	-	11,206
At 31 March 2009	221,955	20,269	242,224
Depreciation			
At 1 April 2008	195,670	16,607	212,277
Charge for the year	7,260	2,028	9,288
At 31 March 2009	202,930	18,635	221,565
Net book value			
At 31 March 2009	19,025	1,634	20,659
At 31 March 2008	15,079	3,662	18,741

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

10 Debtors

	Group 2009 £	Group 2008 £	Charity 2009 £	Charity 2008 £
Amounts due from subsidiary undertaking	-	-	23,469	52,761
Sundry debtors	4,659	27,311	4,385	27,311
Dividends and interest receivable	38,685	33,261	38,685	32,854
Prepayments	1,497	1,497	1,497	1,497
	44,841	62,069	68,036	114,423

11 Creditors: Amounts falling due within one year

	Group 2009 £	Group 2008 £	Charity 2009 £	Charity 2008 £
Amounts due to subsidiary undertaking	-	-	-	4,740
Sundry creditors and accruals	259,306	193,689	257,870	192,720
Grants payable	1,085,068	1,227,680	1,079,868	1,222,680
Deferred income	71,668	117,868	71,668	116,275
	1,416,042	1,539,237	1,409,406	1,536,415

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.

	2009 £	2008 £
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 2008	41,463,165	39,838,023
Transfers between funds:		
Total returns endowment withdrawal	(751,734)	(751,734)
Transfers to endowment from income funds	337,648	337,648
Exceptional withdrawal from endowment funds	(17,546)	(17,546)
Net incoming resources before transfers	1,286,986	1,289,400
Gains & losses on investment assets	(9,779,634)	(9,389,511)
At 31 March 2009	32,538,885	31,306,280

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 £751,734 and is shown as a transfer from the endowment fund. A withdrawal of £17,546 was made from the Baines Fund to cover grant making commitments 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 2009 have received sufficient funds to return them to credit.

	At 1 April 2008	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2009
	£	£	£	£	£
The 43	-	162,776	-	-	162,776
Frank Acfield	-	535	-	-	535
Akzo Nobel International Paint	1,072	16,764	15,208	1,300	1,328
Allendale Willow	-	6,741	4,000	400	2,341
Amec Offshore	22,082	6,274	8,000	-	20,356
Anonymous	194	-	-	-	194
Anonymous	-	5,000	-	-	5,000
Asian	875	3,118	1,700	-	2,293
Asylum Seekers' Hardship	3,340	-	300	-	3,040
BETWD	17,378	10,031	18,273	9,136	-
Baines	2,857	1,956	21,832	(17,546)	527
Nancy Barbour Award	3,089	5,021	5,000	-	3,110
Barnes Grassroots	-	1,178	-	801	377
Sir Jeremy Beecham	(490)	1,307	500	-	317
Barbara & Chris Beith	167	210	50	-	327
Bellingham	1,909	2,320	800	-	3,429
Bird Family	335	1,101	1,350	-	86
Ron & Louise Bowey	-	-	-	-	-
Grassroots	-	1,250	-	1,250	-
Camelot	-	27,343	24,857	2,486	-
Canford Audio	250	333	500	-	83
Capacitybuilders CPP	5,458	-	-	-	5,458
Capacity Builders Regional	40	-	-	-	40
Capacity Builders Tyne & Wear	4	-	-	-	4
Change up - Regional	1,299	-	-	-	1299
Chapman	223	21,633	11,744	-	10,112
Chevington Children's	25,274	-	25,274	-	-
Community Ventures	53,391	-	1,700	6,714	44,977
Sir Tom Cowie	9,479	50,283	46,000	-	13,762
John D Grassroots	-	3,000	-	3,000	-
Duncan & Sarah Davidson	193	2,508	1,500	-	1,201
David Dockray's West End	5,351	39,723	43,770	-	1,304
Young People's	-	-	-	-	-
Pamela Denham Grassroots	-	128	-	128	-
Durham	611	2,092	2,703	-	-
eaga Community	27,196	80,000	101,196	6,000	-
Evangelical	657	6,911	5,000	-	2,568
Evening Chronicle Sunshine	131,702	318,081	147,862	176,820	125,101
Express Enterprise	93	497	-	-	590
Fair Share - Blyth	(74,517)	156,252	202,693	10	(120,968)
Fair Share - Wansbeck	40,629	116,501	193,665	10	(36,545)
Carried forward	280,141	1,050,867	885,477	190,509	255,052

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

14 Income funds - restricted (continued)

	At 1 April 2008 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2009 £
Brought forward	280,141	1,050,867	885,477	190,509	255,022
FARNE	(2,465)	12,242	9,304	-	473
Fergusons of Blyth	3,300	5,336	8,630	-	6
Fogo Grassroots	-	1,935	-	1,603	332
Four Acre Trust	1	-	-	-	1
David Goldman Awards	148	24,396	24,358	-	186
Grassroots Gateshead	-	88,577	90,377	-	(1,800)
Grassroots Newcastle	-	129,538	129,537	-	1
Grassroots Northumberland	-	133,853	141,631	-	(7,778)
Grassroots North Tyneside	-	82,984	84,617	-	(1,633)
Grassroots Sunderland	-	134,984	134,711	-	273
Grassroots South Tyneside	-	73,693	78,050	-	(4,357)
Allison Greenlees Continuation	(262)	5,165	3,500	-	1,403
Green Scheme	4,278	4,008	4,000	802	3,484
Grounds Family	562	107	-	-	669
Jackie Haq Fund for Scotswood	3,406	1,344	1,595	-	3,155
Henry Smith Charity	441,900	851,200	781,900	-	511,200
Heyman Scholarships	5,214	3,167	4,000	649	3,732
Joy Higginson	1,273	1,116	200	-	2,189
High Sheriff of Northumberland	2,665	24,813	22,738	1,262	3,478
If only... Grassroots	-	256	-	256	-
Included Communities	(15,541)	(2,114)	(17,655)	-	-
Jim Smail Tree	10	-	-	10	-
Josephs Family	750	4,250	4,500	-	500
JPMorgan	3,214	2,008	5,000	-	222
Kellett	8,929	308,746	384,494	-	(66,819)
Kerry Grassroots	-	1,000	-	1,000	-
Lady Grey Memorial	41	119	-	-	160
Latterford	411	394	250	-	555
Local Environmental Action	(7,391)	188,645	125,563	(40,000)	95,691
Lyndhurst	49,695	4,299	34,770	3,596	15,628
George Loggie	3,701	1,043	1,000	-	3,744
Men's Health	190	68	-	258	-
Men's Initiative	57,055	-	-	57,055	-
NEA Silver Jubilee	1,083	-	(17)	-	1,100
NEF Grassroots	-	500	-	500	-
North East e-Learning	616	-	-	616	-
Northern Angel	12,579	30,757	29,456	5,515	8,365
North Tyneside	353	1,153	1,506	-	-
Northumberland Group	278,819	36,541	160,349	3,602	151,409
Northumberland Local Network	3,156	-	2,628	528	-
P&G Grassroots	-	1,807	-	1,450	357
Patch	10,649	13,091	8,650	-	15,090
Percy Family	129	3,791	-	-	3,920
Port of Tyne	36,850	30,000	34,887	3,000	28,963
Prime Grassroots	-	9,586	-	6,410	3,176
Owen Pugh	-	11,000	10,000	1,000	-
Readman Foundation	683,312	41,832	106,404	10,652	608,088
Carrie Reay	43	64	-	-	107
Carrie Reay Grassroots	-	-	-	1,487	(1,487)
Riding Grange Grassroots	-	975	-	975	-
Carried forward	1,868,814	3,319,136	3,296,410	252,735	1,638,805

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

14 Income funds - restricted (continued)

	At 1 April 2008	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2009
	£	£	£	£	£
Brought forward	1,868,814	3,319,136	3,296,410	252,735	1,638,805
Rio Tinto Alcan	8,199	15,000	10,038	2,250	10,911
Jane Robertson Alnwick	783	825	1,000	-	608
Brian Roycroft	12,243	6,719	1,773	85	17,104
Sage Gateshead	7,834	575,514	580,167	-	3,181
Sammy Johnson Memorial	44,263	9,160	13,350	36,827	3,246
Share Family	6,552	-	-	-	6,552
Shears Grassroots	-	1,210	-	1,210	-
Smail Family	1,298	1,852	2,500	-	650
SMD	21,189	-	21,081	-	108
South Tyne Valley	12,685	39,639	19,700	-	32,624
Sponsors Club for Arts & Business	86,694	158,675	17,950	145,062	82,357
Sport Relief	68,545	-	60,929	5,750	1,866
Sunderland Industrial & Reformatory School	-	615	200	-	415
Taylor	11,099	17,713	15,724	-	13,088
Thornton Family Grassroots	-	1,250	-	1,250	-
Three Valleys	1,737	1,635	2,500	-	872
Three Valleys Grassroots	-	3,892	-	3,205	687
Tiny Lives	382,850	290,878	75,453	401,180	197,095
Treeline Grassroots	-	474	-	321	153
Trusthouse Charitable Foundation	-	25,000	25,000	-	-
Trust Trevelyan	1,000	1,000	294	100	1,606
Tyne & Wear High Sheriff Awards	2,282	20,903	19,875	2,798	512
Tyne & Wear Local Network	22,029	-	16,665	5,364	-
Ted Weekes	7,761	6,584	6,974	-	7,371
Tyhume Valley	-	600	-	-	600
UK Land Estates	-	10,000	4,447	1,000	4,553
Winter Family Grassroots	-	4,747	-	3,205	1,542
CH Wood	296	4,345	5,000	-	(359)
Women's	5,337	20,180	17,976	4,430	3,111
Young Musician's	2,058	4,480	5,582	-	956
Total Community Foundation	2,575,548	4,542,026	4,220,588	866,772	2,030,214
Joseph Brough Charitable Trust	8,442	31,791	25,092	-	15,141
Tyne & Wear Foundation Trust	1,011	10,553	7,900	-	3,664
Tyne & Wear Foundation Ltd	(30)	-	-	-	(30)
Total Group	2,584,971	4,584,370	4,253,580	866,772	2,048,989

Income and transfers include credits of £474,475 transferred from the endowment fund to distribute as income on a total returns basis. Other outgoings include transfers between funds of £378,534, staff costs of £224,778, and other fund expenses and fundraising event costs of £263,460. 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.

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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 2009 have received sufficient funds to return them to credit.

	At 1 April 2008	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2009
	£	£	£	£	£
Adderstone	5,561	10,661	6,500	-	9,722
Anonymous	48	-	-	-	48
Anonymous	(84)	2,822	2,500	-	238
Bank of England	-	1,000	-	-	1,000
Barnes	2,581	1,875	-	-	4,456
Peter & Angela Barratt	15,385	-	13,770	1,538	77
John Bell	5,797	29,073	28,000	-	6,870
Bellway	1,954	1,263	1,939	-	1,278
Benfield Motors	2,437	2,134	4,000	-	571
BNS Telecom	8,250	4,200	12,450	-	-
Bonas Machine Company	1,026	784	1,000	-	810
Ron and Louise Bowey	12,885	32,735	26,804	-	18,816
British Beer & Pub Association	2,228	5,436	7,852	-	(188)
Carr-Ellison Charitable Trust	(178)	22,817	19,400	500	2,739
CE Electric	6,567	7,859	12,345	-	2,081
Chrysalis	552	1,004	1,000	-	556
Roland Cookson	17,323	37,930	44,174	2,096	8,983
John D	-	11,000	-	1,000	10,000
Death of a Nightingale	-	814	-	-	814
Fogo	864	5,484	3,700	-	2,648
Gateshead Housing Company Community	28,586	76,000	25,303	16,000	63,283
George & Peggy	5,127	4,685	6,440	-	3,372
Grainger Charitable	4,638	-	3,603	1,035	-
Michael & Christine Heppell	3,839	2,776	3,100	-	3,515
Hugonin Family	2,700	5,000	2,000	500	5,200
I'Anson Family	2,548	2,238	1,290	-	3,496
Keepmoat	-	8,334	7,084	1,250	-
John Laing	6,130	5,354	-	-	11,484
Abdul Latif, Lord of Harpole, Memorial	170	1,670	-	184	1,656
William Leech Charity	26,806	22,575	20,654	-	28,727
Leech Challenge	12,265	2,700	-	-	14,965
Linden Family	95	19,343	19,740	-	(302)
Helen McArdle	186,497	-	81,235	4,167	101,095
Maudslay Family	1,947	432	1,000	-	1,379
G S May Family	3,656	5,052	3,500	-	5,208
Middleton Community Enterprises	8,539	16,154	22,870	1,615	208
Muckle LLP	40,273	31,767	34,033	1,545	36,462
Carried forward	417,012	382,971	417,286	31,430	351,267

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

15 Income Funds - unrestricted (continued)

	At 1 April 2008 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2009 £
Brought forward	417,012	382,971	417,286	31,430	351,267
Newcastle Brown Ale	2,728	22,277	9,000	2,000	14,005
Newcastle Building Society Community	15,651	52,149	41,147	15,000	11,653
Northumbrian Water	185	3,597	3,768	-	14
PricewaterhouseCoopers	502	1,649	1,000	-	1,151
Prime	9,588	11,012	12,700	-	7,900
P&G	25,577	26,060	51,633	-	4
David & Susan Ratliff	10,844	-	5,000	1,000	4,844
Guy Readman	332	-	-	-	332
Ridley Family	20,610	26,875	36,759	2,015	8,711
Ringtons	12,534	21,323	24,488	-	9,369
Rolls-Royce	1,506	1,062	2,500	-	68
Joseph Rowntree Charitable Trust	51,980	13,213	-	-	65,193
Ryder Architecture	-	5,000	3,500	500	1,000
St Cuthbert's	6,022	900	-	-	6,922
Sage Community	98,411	30,000	48,411	1,500	78,500
SCM Pharma	-	11,000	-	1,000	10,000
Johnnie & Tricia Smith	271	2,233	2,000	-	504
Social Capital	-	16,220	-	4,646	11,574
Specials Laboratory	7,027	22,000	17,727	2,000	9,300
Barry & Faga Speker	2,892	2,501	3,900	500	993
Staff Giving	298	1,122	1,056	-	364
Star	3,965	8,755	5,000	-	7,720
Roy Stewart	87	312	253	-	146
TESS	91	6,750	1,500	-	5,341
Treeline	354	2,037	2,000	-	391
Vaux	355	7,222	6,245	-	1,332
Ward Hadaway	970	2,059	1,050	(3,432)	5,411
Watkin Family	18,792	48,832	68,300	2,500	(3,176)
Wearl	1,097	-	5,900	(8,546)	3,743
Willis Charitable	2,420	1,136	2,261	-	1,295
Winter Family	293	1,393	-	-	1,686
Nigel Wright Consultancy	-	6,000	2,500	1,000	2,500
Other general grantmaking funds	269,032	121,215	92,798	43,909	253,540
Total designated funds	981,426	858,875	869,682	97,022	873,597
Administrative fund	604,394	796,021	-	848,754	551,661
Total Community Foundation	1,585,820	1,654,896	869,682	945,776	1,425,258
Tyne & Wear Foundation Ltd	-	53,581	-	53,581	-
Total Group	1,585,820	1,708,477	869,682	999,357	1,425,258

Income and transfers include £277,259 transferred from the endowment fund to distribute as income on a total returns basis. Other outgoings and transfers consist of credits of £58,432 transfers between funds, less £618,739 staff costs, £37,502 outreach & evaluation costs, £6,742 designated fund expenses and other administrative costs of £341,225.

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Notes to the accounts (continued)

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.

16 Analysis of group net assets between funds

	Unrestricted funds	Restricted funds	Endowment funds	2009 Total
	£	£	£	£
Investments	-	-	32,395,403	32,395,403
Tangible fixed assets	20,659	-	-	20,659
Current assets	1,737,045	2,971,075	304,992	5,013,112
Current liabilities	(332,446)	(922,086)	(161,510)	(1,416,042)
Total net assets	1,425,258	2,048,989	32,538,885	36,013,132

17 Financial commitments

At 31 March 2009 the group had annual commitments under non-cancellable operating leases as follows:

	Land & buildings 2009 £	Land & buildings 2008 £
Expiry date:		
Within one year	63,500	
Within two to five years	-	63,500
Over five years	-	-
	63,500	63,500

Community Foundation

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Notes to the accounts (continued)

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 £59,094 (2008: £53,043). Outstanding contributions at 31 March 2009 were £616 (2008: £3,016).

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 £6,886,950 (2008: £10,054,942) and its net incoming resources for the year were £151,872 (2008: £1,693,743).

The company made an unrealised loss on investments of £6,602,245 (2008: £1,815,394 gain). The company's net decrease in funds was £9,237,639 (2008: £1,552,426 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, £25,217 was gift aided in June 2008 (2008: £39,266). A summary of results of the subsidiary company is shown below:

	Total	Total
	2009	2008
	£	£
Turnover	84,298	86,431
Cost of sales	(59,056)	(47,140)
Operating profit	25,242	39,291
Administrative costs	(25)	(25)
Net profit	25,217	39,266

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

19 Subsidiary company and charities (continued)

The aggregate of the assets and liabilities was:

	Total	Total
	2009	2008
	£	£
Assets	24,975	50,721
Liabilities	(24,905)	(50,651)
Net Assets	70	70

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
	2009	2008
	£	£
Investment income	36,791	37,275
Charitable expenditure	(30,092)	(39,260)
Investment management costs	-	(2,583)
Gains and losses on investments	(269,748)	(72,427)
Net movement in funds	(263,049)	(76,995)

The aggregate of the assets, liabilities and funds was:

	Total	Total
	2009	2008
	£	£
Assets	907,310	1,170,359
Liabilities	(5,000)	(5,000)
Funds	902,310	1,165,359

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

19 Subsidiary company and charities (continued)

Represented by:

	Total	Total
	2009	2008
	£	£
Permanent endowment fund	887,169	1,156,917
Restricted funds	15,141	8,442
Funds	902,310	1,165,359

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
	2009	2008
	£	£
Donations	-	230
Investment income	16,762	16,633
Investment management costs	(2,414)	(2,926)
Charitable expenditure	(14,109)	(20,046)
Gains and losses on investments	(120,375)	(70,529)
Net movement in funds	(120,136)	(76,638)

The aggregate of the assets, liabilities and funds was:

	Total	Total
	2009	2008
	£	£
Assets	349,300	473,908
Liabilities	(200)	(4,672)
Funds	349,100	469,236

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

19 Subsidiary company and charities (continued)

Represented by:

	Total	Total
	2009	2008
	£	- £
Permanent endowment fund	345,436	468,225
Restricted funds	3,664	1,011
Funds	349,100	469,236

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 whose employees are Directors of the Community Foundation. 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 organisation being considered for a grant and do not take part in any such decisions. Directors and their associated companies donated a total of £380,814 to Community Foundation during the year, (2008: £257,825) to named endowment and revenue funds. Dean T. Huggins is a Director of Community Development Foundation, which manages the Grassroots programme on behalf of the Office of the Third Sector and during the year £965,747 was contributed to Community Foundation. Jo Curry is an employee of VONNE which sublet part of Community Foundation offices and during the year paid £30,535 to cover rent and other office services.

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

Organisation	Director involved	Relationship	Total grants £	Total outreach £
Different Strokes North East	Lisa Charlton	Trustee	500	-
County Durham Foundation	Mark I'Anson	Trustee	6,703	-
Northumbria University	John Josephs, Bill Teasdale & Ashley Winter OBE	Governors	500	-
Brinkburn Music	Richard Maudslay CBE	Chairman	200	-
Adapt (North East)	Elizabeth Prudhoe	Company Secretary	19,000	-
Newcastle Cathedral Trust	John Squires OBE, DL	Trustee	10,000	-
North Music Trust	John Squires OBE, DL	Director	629,525	-
Hindu Nari Sangh	Shobha Srivastava	Chair	4,484	-
North Tyneside VODA	Jan Worters MBE	Employee	-	5,000

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21 Cashflow information for the group

Reconciliation of net cashflow to movement in net funds

	2009 £
Decrease in cash in period	(2,029,960)
Increase in short term deposits	1,190,947
Movement in net funds in the year	(839,013)
Net funds at 1 April 2008	5,807,284
Net funds at 31 March 2009	4,968,271

Analysis of net funds

	1 April 2008 £	Cashflow £	31 March 2009 £
Cash at bank and building society	3,063,501	(2,029,960)	1,033,541
Short term deposits	2,743,783	1,190,947	3,934,730
Net funds	5,807,284	(839,013)	4,968,271

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.