

Community Foundation

serving Tyne & Wear and Northumberland

(A company limited by guarantee)

Directors' annual report and accounts for the year ended 31 March 2010

Registered company number 2273708

Registered charity number 700510



Community Foundation

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(A company limited by guarantee)

Directors' annual report and accounts for the year ended 31 March 2010

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

Annual report for the year ended 31 March 2010

Introduction

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

The Community Foundation's registration number is 700510 and the limited company number is 2273708
The principal office and registered office is Cale Cross, 156 Pilgrim Street, Newcastle upon Tyne NE1 6SU

The Community Foundation comprises several separate organisations whose accounts and activities are consolidated within the group. They are as follows

- Community Foundation serving Tyne & Wear and Northumberland – a limited company and main operating charity
- Tyne and 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 the 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

The Community Foundation's activities also encompass three projects: the Sponsors Club for Arts & Business, Tiny Lives and the Evening Chronicle Sunshine Fund. These have distinct aims and objectives but are not registered charities in their own right, and form part of the Community Foundation. All three projects are accounted for under restricted funds. At the year-end, the Evening Chronicle Sunshine Fund was in the process of being transferred to a separate new charity to operate solely for its own 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 supports and 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 2010 (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 2010 (continued)

Structure, governance and management

The Community Foundation is a limited company governed by Memorandum and Articles of Association drawn up 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 up to nine further 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, training and support of Board members, which are reviewed by the appropriate sub-committee, (the Governance Committee during 2009-2010 but from autumn 2010, the new Honorary Officers Committee). Each new Board Member is given a standard induction pack and attends an induction session with the senior staff and Chair. The relevant sub-committee reviews training needs of the Board members and arranges training as required. The involvement of Board members is reviewed by the Honorary Officers after one and three years to ensure that the skills and time provided by members of the Board are used to best effect. Additionally, an audit of skills was conducted in March 2010 to inform Board member recruitment, engagement and support. Board members also volunteer their services to assist in Community Foundation activities, such as grant panels, evaluation visits and public speaking engagements 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 risks and ways to mitigate them,
- receives an equality and diversity report,
- considers strategic issues, and
- receives reports and minutes from all sub-committees listed below

As part of the strategic review conducted during the year, in January 2010 the Board held a full strategy day with senior staff to determine future aims and objectives and consider the effectiveness of its governance arrangements.

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

Annual report for the year ended 31 March 2010 (continued)

Structure, governance and management (continued)

The Board appoints sub-committees, which are responsible for more detailed oversight of strategy and activities within their area of responsibility. The sub-committees meeting during the year were

- Audit Committee (Audit)
- Development Committee (Dev)
- Equality & Diversity Committee (E&D)
- Executive Committee (Exec)
- Governance Committee (Gov)
- Philanthropy Committee (Phil)
- Investment Committee (Inv)

As part of its strategic review, the Board considered the role and structure of its sub-committees and, in March 2010, agreed to establish a revised set of committees from autumn 2010. These will be Audit & Risk Committee, Development Committee, Finance & Investment Committee, Honorary Officers Committee and Philanthropy Committee.

Members of the Board who served during the year and the committees on which they served are as follows

Hugh Welch – Chair	(Exec, Gov)
co-opted October 2001, elected October 2003, re-elected November 2009	
Richard Maudslay CBE – Deputy Chair	(Dev, Exec, Gov)
co-opted October 2003	
Jan Worters MBE – Deputy Chair to November 2009	(Exec, Phil, Gov, E&D)
co-opted October 2000, retired 13 November 2009	
Chris Drinkwater CBE – Deputy Chair from November 2009	(Phil, Exec)
co-opted October 2006	
John Josephs – Treasurer to November 2009	(Exec, Inv)
elected October 2003, re-elected November 2006, retired 13 November 2009	
Colin Seccombe – Treasurer from November 2009	(Inv, Exec)
elected October 2007	
Lisa Charlton MBE	(Phil, E&D)
elected October 2004, co-opted November 2009	
John Clough MBE	(Inv)
co-opted 23 November 2009	
Alastair Conn	(Inv)
elected 23 November 2009	
Jo Curry	(Phil)
co-opted October 2008	
Jill Dixon	(Exec, Audit)
appointed October 2006 to represent public bodies	
Charles Harvey	(Phil)
co-opted October 2008	
Dean T. Huggins	(Phil, E&D)
elected October 2008	
Mark I'Anson	(Dev)
elected October 2007	
Andrew Kerr	(Audit)
appointed October 2005 to represent public bodies, retired 21 December 2009	
Jamie Martin OBE	(Dev)
co-opted October 2006	
Gev Pringle	(Phil)
co-opted 23 November 2009	

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

Annual report for the year ended 31 March 2010 (continued)

Structure, governance and management (continued)

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

Elizabeth Prudhoe elected October 2008	(Phil)
John Sands elected October 2005	(Inv)
Trevor Shears OBE co-opted October 2003, retired 13 November 2009	(Inv)
Shobha Srivastava co-opted October 2003, retired 13 November 2009	(Phil)
Betty Weallans elected 23 November 2009	(Phil)
Susan Winfield OBE appointed October 2006, reappointed 2009	(Exec)
Ashley Winter OBE elected October 2008	(Audit)

The following members of the Board served during the year but retired before the year end John Josephs, Andrew Kerr, Trevor Shears, Shobha Srivastava and Jan Worters Mark I'Anson retired in April 2010 Members who will retire at the 2010 Annual General Meeting are Lisa Charlton, Jill Dixon and Hugh Welch, Liz Prudhoe retires by rotation and is eligible for re-election The Board has nominated Ashley Winter OBE as Chair-designate to succeed Hugh Welch following the Annual General Meeting

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 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 Board were

Rob Williamson	Chief Executive
Peter Storey	Development Director
Derry Nugent	Philanthropy Director
Sonia Waugh	Finance Director

Rob Williamson was appointed as Chief Executive in July 2009, succeeding George Hepburn OBE At the year end there was a total of 22 core staff and 8 project staff (total of 26 full time equivalent)

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

Annual report for the year ended 31 March 2010 (continued)

Risk assessment

The Board receives an annual assessment of risk prepared by the senior staff and agrees steps to manage 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 senior staff review in May 2009 were

- a further stock market crash,
- inability to generate sufficient new donors,
- failure to deal with adverse publicity,
- donors losing confidence in the Community Foundation,
- loss of Henry Smith Charity work; and
- loss of corporate donors

The next comprehensive risk assessment will be undertaken later in 2010

Objectives and activities

The Community Foundation was formally 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 & Wear and Northumberland

Following the appointment of the new Chief Executive, the Community Foundation undertook a strategic review involving consultation with Board members, staff and external stakeholders. As a result, in March 2010, the Board adopted a new strategic framework and statement of purpose which is set out below

“To be the hub for community philanthropy in our area – inspiring and supporting giving that strengthens communities and enriches local life. To do this we

- enable effective giving by people and business,
- support organisations and individuals with money, time and expertise, and
- inform and influence issues affecting our communities ”

The Community Foundation is a generalist grant-maker 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 with its general funds and these are detailed in grant application materials available on request. The predominant activity is grant-making but the Community Foundation also devotes resources to leadership work, development and donor education which aim to increase local philanthropy

The previous three-year plan continued to be implemented during the year pending the results of the strategic review. This included the putting in place of economies totalling £100,000 in April 2009 to take account of falling endowment values and other budgetary pressures

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

Annual report for the year ended 31 March 2010 (continued)

Objectives and activities (continued)

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. In March 2010, the Board reviewed its public benefit duties and 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 grant-making and are satisfied that it meets the requirements.

Achievements and performance

The Community Foundation awarded 1,743 grants (2009: 1,562) totalling £5.9m (2009: £5.2m) 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	1,235	3,105,904
Fair Share	6	313,565
Grassroots Grants	433	761,880
Henry Smith Charity	35	803,800
Targeted Support	34	871,412
Total grants awarded by the full Group	1,743	£5,856,561

The majority of grants continued to be for amounts of under £5,000 and to provide practical support for small voluntary and community groups. The total value of grants awarded rose by 13% compared to 2009 mainly due to the Community Foundation managing the Government's one-off Targeted Support programme. The Community Foundation works with outreach partners to ensure that grants are available to new and grass roots projects. There was a slight fall in the value of grants made from Community Foundation funds, reflecting the reduction in endowment income during the year.

The Community Foundation continued to run the Government's Grassroots programme in Tyne & Wear and Northumberland. The programme provides grants to "grassroots" groups and also £2m over three years as incentives to individual and corporate donors to establish Grassroots endowment funds. By the year end, 18 Grassroots funds had been established and the full allocation of incentive funding claimed.

The Community Foundation provided grant-making services for 1989 Willan Charitable Trust, which awarded grants of £506,576 in this financial year. These grants are not included in the grants awarded figure above as the grants were made directly from that organisation.

There continued to be good levels of new donations during the year, with 11 new endowment funds established. These included £333,333 to the Readman Family Grassroots Fund and £275,000 to the CNL Young People's Fund, and sums in excess of £50,000 to the Muckle LLP and Reeds Grassroots Funds. In addition, 13 existing endowment funds saw additional gifts, including £193,461 to the Fogo Grassroots Fund, £100,000 to the Linden Fund and £99,647 to the Ron & Louise Bowey Grassroots Fund. There were six new revenue funds, including corporate funds set up by Croft Veterinary Hospital and Dicksons Pork Butchers.

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

Annual report for the year ended 31 March 2010 (continued)

Financial review

Net assets at 31 March 2010 were £47.8m (2009 £36m) £44.6m of the assets related to endowment funds (2009 £32.5m). Following a significant recovery in the stock market to the financial year end, the total unrealised and realised gains amounted to £11.1m (2009 losses of £9.8m). There were new donations to the endowment funds during the year of £1.9m (2009 £1.5m), and fees and transfers out of endowment of £0.9m (2009 £0.6m). The expendable endowment fund is treated by the Directors as a long-term capital fund to provide income for future grant-making. The investments are managed by Investec Asset Management, UBS Wealth Management and Brewin Dolphin, to achieve maximum total returns and provide an agreed amount annually for grant-making. There is separate provision for donors who wish to invest ethically. The Investment Committee meets with the managers quarterly and monitors their performance in relation to the WM Charity Benchmark. Clear guidelines have been agreed in relation to asset allocation and these are also reviewed by the Investment Committee quarterly. The WM benchmark for the year delivered a total return of 35%. The Board was satisfied with performance on the funds for the year with one manager slightly underperforming the benchmark and the other outperforming, with the average total return on the main fund being 38.9%.

Incoming resources for the year totalled £8m (2009 £7m). Grants from public bodies increased by over £1.5m mainly due to the Targeted Support Fund and Grassroots endowment match. The main sources of income were new donations, grants from public bodies and investment income. The main resources expended were for charitable grants of £5.8m net (2009 £5.1m). There were additional costs involved for the Sponsors Club, Sunshine Fund and Tiny Lives projects, Sunday for Sammy concert 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 (2009 16%).

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 Sunday for Sammy Concert 2010.

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 2010 of £1,295,850 includes £720,070 set aside for designated funds which are solely for future grant-making, and the balance of £575,780 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 three months' but not more than six months' running costs. The reserves figure at the year end amounted to just over the estimated six months' running costs.

Plans for future periods

The Community Foundation adopted a new strategic framework in March 2010 with the aim of growing the Community Foundation, increasing its visibility and impact whilst making it more sustainable. The Board also revised its forward budgets to take account of reduced short-term interest and the low likelihood of successor contracts for current Government programmes. The Board agreed to draw on its surplus reserves during 2010-11 to meet a budgeted operating deficit, and to conduct a full financial review in autumn 2010.

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

Annual report for the year ended 31 March 2010 (continued)

Plans for future periods (continued)

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 year 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' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (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 trustees 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and 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 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.
- 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.

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

Annual report for the year ended 31 March 2010 (continued)

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
28 September 2010

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 and Wear and Northumberland for the year ended 31 March 2010 which comprise the Consolidated Statement of Financial Activities, the Consolidated Income and Expenditure Account, the Consolidated and Parent Company Balance Sheets, the Consolidated Cash Flow Statement, the Accounting Policies and the related notes. The financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' (who are also the trustees of the charitable company) responsibilities 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) and for being satisfied that the financial statements give a true and fair view 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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or 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, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Directors' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept adequate accounting records, if the company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of directors' remuneration specified by law are not made.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Annual Report and all of the other information listed on the contents page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

Basis of audit 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 group's and the charitable company's circumstances, consistently applied and adequately disclosed.

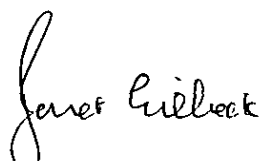
Community Foundation serving Tyne & Wear and Northumberland (A company limited by guarantee)

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

Opinion

In our opinion

- the financial statements give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2010 and of the group's incoming resources and application of resources, including its income and expenditure and cash flows, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Directors' Annual Report is consistent with the financial statements



Janet Eilbeck (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Newcastle upon Tyne

29 September 2010

Community Foundation
serving Tyne & Wear and Northumberland

**Consolidated statement of financial activities
for the year ended 31 March 2010**

	Note	Unrestricted funds	Restricted funds	Endowment funds	Total 2010	Total 2009
		£	£	£	£	£
Incoming resources						
Incoming resources from generated funds						
Voluntary income						
Donations		462,751	1,897,651	1,265,574	3,625,976	3,727,309
Grants from public bodies		210,454	1,933,579	667,949	2,811,982	1,266,979
Activities for generating funds						
Fundraising events		-	321,639	-	321,639	317,727
Investment income	1	453,177	757,813	-	1,210,990	1,649,581
Other incoming resources		20,110	-	-	20,110	21,279
Total incoming resources		1,146,492	4,910,682	1,933,523	7,990,697	6,982,875
Resources expended						
Costs of generating funds						
Costs of generating donations	3	226,455	126,439	-	352,894	418,892
Costs of fundraising events	4	29,268	241,749	-	271,017	266,626
Investment managers' fees		-	-	133,328	133,328	154,776
Charitable activities	5	1,270,532	5,181,214	-	6,451,746	5,874,355
Governance costs	6	82,909	7,169	-	90,078	88,137
Other resources expended		20,110	-	-	20,110	21,279
Total resources expended		1,629,274	5,556,571	133,328	7,319,173	6,824,065
Net incoming resources before transfers		(482,782)	(645,889)	1,800,195	671,524	158,810
Gross transfers between funds	13-15	353,374	411,995	(765,369)	-	-
Net incoming resources before taxation		(129,408)	(233,894)	1,034,826	671,524	158,810

Community Foundation
serving Tyne & Wear and Northumberland

**Consolidated statement of financial activities
for the year ended 31 March 2010 (continued)**

	Note	Unrestricted funds	Restricted funds	Endowment funds	Total 2010	Total 2009
		£	£	£	£	£
Net incoming resources before taxation		(129,408)	(233,894)	1,034,826	671,524	158,810
Taxation	12	-	-	-	-	-
Net incoming resources before other recognised gains/losses		(129,408)	(233,894)	1,034,826	671,524	158,810
Gains & losses on investment assets	8	-	-	11,067,565	11,067,565	(9,779,634)
Net movement in funds		(129,408)	(233,894)	12,102,391	11,739,089	(9,620,824)
Fund balances brought forward at 1 April 2009		1,425,258	2,048,989	32,538,885	36,013,132	45,633,956
Fund balances carried forward at 31 March 2010		1,295,850	1,815,095	44,641,276	47,752,221	36,013,132

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 2010**

	Note	2010	2009
		£	£
Income - continuing operations			
Donations		2,360,402	2,493,791
Grants from public bodies		2,144,033	1,058,735
Fundraising events		321,639	317,727
Investment income		1,210,990	1,649,581
Other income		20,110	21,279
		6,057,174	5,541,113
Expenditure - continuing operations			
Grants	5	5,822,887	5,123,262
Staff costs	7	856,193	843,517
Other costs		506,765	702,510
		7,185,845	6,669,289
Net deficit for the year before transfers, investment asset disposals and taxation		(1,128,671)	(1,128,176)
Transfer from endowment fund		765,369	431,632
Taxation	12	-	-
Net deficit for the year		(363,302)	(696,544)

The total income of £6,057,174 comprises £1,146,492 for unrestricted funds and £4,910,682 for restricted funds as shown in the statement of financial activities. The total expenditure of £7,185,845 comprises £1,629,274 for unrestricted funds and £5,556,571 for restricted funds as shown in the statement of financial activities.

Community Foundation
serving Tyne & Wear and Northumberland

Balance sheets as at 31 March 2010

Registered company number 2273708

	Note	Group 2010 £	Group 2009 £	Charity 2010 £	Charity 2009 £
Fixed assets					
Endowment fund investments	8	44,459,762	32,395,403	42,832,066	31,182,791
Investments	8	-	-	100	100
Tangible assets	9	15,419	20,659	15,419	20,659
		44,475,181	32,416,062	42,847,585	31,203,550
Current assets					
Debtors	10	64,621	44,841	108,636	68,036
Cash on short term deposit		2,829,939	3,934,730	2,829,939	3,934,730
Cash at bank and building society		1,725,066	1,033,541	1,612,237	964,842
Total current assets		4,619,626	5,013,112	4,550,812	4,967,608
Creditors: amounts falling due within one year	11	(1,342,586)	(1,416,042)	(1,335,545)	(1,409,406)
Net current assets		3,277,040	3,597,070	3,215,267	3,558,202
Total assets less current liabilities		47,752,221	36,013,132	46,062,852	34,761,752
Capital funds					
Endowment fund	13	44,641,276	32,538,885	42,975,554	31,306,280
Income funds					
Restricted	14	1,815,095	2,048,989	1,791,448	2,030,214
Unrestricted	15	1,295,850	1,425,258	1,295,850	1,425,258
Total funds		47,752,221	36,013,132	46,062,852	34,761,752

The accounts on pages 13 to 40 were approved by the Board on 28 September 2010 and were signed on their behalf by



Hugh Welch

Chair



Colin Seccombe

Treasurer

Community Foundation
serving Tyne & Wear and Northumberland

Consolidated cashflow statement for the year ended 31 March 2010

	Note	Group 2010 £	Group 2009 £
Net incoming resources before revaluations and taxation		671,524	158,810
Investment income		(1,143,033)	(1,376,895)
Interest receivable		(67,957)	(272,686)
Receipts of endowment funds		(1,933,523)	(1,441,762)
Depreciation		10,245	9,288
Decrease in debtors		1,368	17,228
Decrease in creditors		(73,456)	(123,195)
Net cash outflow from operating activities		(2,534,832)	(3,029,212)
Returns on investments and servicing of finance			
Investment income		1,143,033	1,376,895
Interest receivable		46,809	272,686
		1,189,842	1,649,581
Taxation			
Tax paid		-	-
Capital expenditure and financial investment			
Payments to acquire fixed assets		(5,005)	(11,206)
Purchase of investments		(15,494,905)	(23,740,429)
Proceeds from sale of investments		14,498,111	22,850,491
		(1,001,799)	(901,144)
Management of liquid resources			
Decrease / (increase) in short term deposits	21	1,104,791	(1,190,947)
Financing			
Receipts of Endowment Funds		1,933,523	1,441,762
Increase/(decrease) in cash in year	21	691,525	(2,029,960)

Community Foundation

serving Tyne & Wear and Northumberland

Accounting policies

a) 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 2006

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

No separate SOFA has been presented for the charity alone as permitted by section 408 of the Companies Act 2006 and paragraph 422 of the SORP

b) 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

c) 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

d) 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

Community Foundation

serving Tyne & Wear and Northumberland

Accounting policies (continued)

e) Fund accounting

Funds held by the charity are as follows

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 grant-making 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

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 £853,611 (2009 £751,734) in excess of investment income, was transferred from the endowment fund to restricted (£539,556) and unrestricted (£314,055) funds in the year

f) Listed and unlisted investments

Listed investments are stated at their quoted market value at the year end

Unlisted investments are quoted at cost Freehold property is stated at the 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 2004/2005 was revalued by property consultants during 2007/ 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

g) 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

h) 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

Community Foundation

serving Tyne & Wear and Northumberland

Accounting policies (continued)

i) 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.

j) Liquid resources

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

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts
for the year ended 31 March 2010

1 Investment income

	2010	2009
	£	£
Dividends & interest from endowment fund assets	1,143,033	1,376,895
Interest receivable on cash deposits	67,957	272,686
	1,210,990	1,649,581

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 2010 £	Total 2009 £
Staff costs	49,934	14,297	91,537	8,109	163,877	164,307
Overhead costs	48,810	14,971	88,374	11,099	163,254	215,724
	98,744	29,268	179,911	19,208	327,131	380,031
Included in overhead costs are the following					2010 £	2009 £
Operating lease rentals - land and buildings					63,500	63,500
Depreciation					10,245	9,288

3 Costs of generating donations

	2010 £	2009 £
Staff costs	206,051	206,654
Direct costs	48,099	98,951
Support costs	98,744	113,287
	352,894	418,892

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

4 Costs of fundraising events

	2010 £	2009 £
Staff costs	64,220	61,774
Direct costs	177,529	174,197
Support costs	29,268	30,655
	271,017	266,626

5 Charitable activities

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

	2010 £	2009 £
Grants payable	5,822,887	5,123,262
Staff costs	371,945	363,222
Outreach & evaluation costs	35,834	37,502
Direct costs	41,169	135,611
Support costs	179,911	214,758
	6,451,746	5,874,355

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

	2010 £	2010 Number	2009 £	2009 Number
Grants approved for payment				
Other charities & voluntary organisations	5,643,661	1,427	4,995,560	1,229
Individuals	212,900	316	180,344	333
Total new grants awarded in the year	5,856,561	1,743	5,175,904	1,562
Grants cancelled	(33,674)		(52,642)	
Total grant expenditure	5,822,887	1,743	5,123,262	1,562

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

	2010 £	2009 £
Staff costs	50,099	47,560
Auditors' remuneration		
- Audit services	7,500	7,500
Legal & professional	5,053	1,250
Trustee expenses	-	230
Direct costs	8,218	10,266
Support costs	19,208	21,331
	90,078	88,137

7 Staff costs

Staff costs comprise the following	2010 £	2009 £
Salaries	741,110	714,060
Social security costs	69,116	70,363
Other pension costs	45,967	59,094
	856,193	843,517

The average number of employees, excluding Directors, employed by the Group during the year was 30 (2009 31)

None of the Directors received any remuneration during the year (2009 Nil) None of the Directors received reimbursements for expenses during the year (2009 2) The total of the reimbursements amounted to nil (2009 £230)

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

	2010 Number	2009 Number
£70,001 to £80,000	1	1

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

8 Investments

Endowment fund investments - Group

At valuation	Listed investments £	Deposit & other cash balances £	Freehold property £	Total £
At 1 April 2009	29,444,694	2,713,208	237,501	32,395,403
Additions in the year	15,394,905	-	100,000	15,494,905
Disposals in the year	(13,346,183)	(1,151,928)	-	(14,498,111)
Realised gains in the year	1,213,000	-	-	1,213,000
Unrealised gains in the year	9,854,565	-	-	9,854,565
At 31 March 2010	42,560,981	1,561,280	337,501	44,459,762
At cost				
At 31 March 2010	35,931,978	1,561,280	273,001	37,766,259
At 31 March 2009	33,678,973	2,713,208	173,001	36,565,182
Listed investments are detailed as follows			2010 Market Value £	2009 Market Value £
UK Fixed Interest			5,321,566	5,213,894
UK Equities			21,640,415	15,402,836
Property			741,233	567,161
Overseas Fixed Interest			1,959,918	932,653
Overseas Equities			12,039,442	7,167,816
Other			858,407	160,334
			42,560,981	29,444,694

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

8 Investments (continued)

Endowment fund investments - Charity

At valuation	Listed investments £	Deposit & other cash balances £	Freehold property £	Total £
At 1 April 2009	28,232,082	2,713,208	237,501	31,182,791
Additions in the year	14,698,597	-	100,000	14,798,597
Disposals in the year	(12,627,826)	(1,151,928)	-	(13,779,754)
Realised gains in the year	1,222,717	-	-	1,222,717
Unrealised gains in the year	9,407,715	-	-	9,407,715
At 31 March 2010	40,933,285	1,561,280	337,501	42,832,066
At cost				
At 31 March 2010	34,502,392	1,561,280	273,001	36,336,673
At 31 March 2009	32,321,754	2,713,208	173,001	35,207,963

Other investments - Charity

At valuation	Unlisted investments £
At 1 April 2009	100
At 31 March 2010	100
At cost	
At 31 March 2010	100
At 31 March 2009	100

	2010 Market Value £	2009 Market Value £
Listed investments are detailed as follows		
UK Fixed Interest	5,024,096	4,895,395
UK Equities	20,863,157	14,859,551
Property	717,296	547,102
Overseas Fixed Interest	1,898,524	904,582
Overseas Equities	11,575,097	6,867,527
Other	855,115	157,925
	40,933,285	28,232,082

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 (2009 £100) investment in the subsidiary company Tyne & Wear Foundation Limited at cost. At 31 March 2010, 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 gains calculated using historical cost was £376,495 (2009 £2,399,106 loss)

9 Tangible fixed assets

Group and Charity

	Furniture & equipment £	Office improvements £	Total £
Cost			
At 1 April 2009	221,955	20,269	242,224
Additions	5,005	-	5,005
Disposals	(145,492)	-	(145,492)
At 31 March 2010	81,468	20,269	101,737
Depreciation			
At 1 April 2009	202,930	18,635	221,565
Charge for the year	8,611	1,634	10,245
Disposals	(145,492)	-	(145,492)
At 31 March 2010	66,049	20,269	86,318
Net book value			
At 31 March 2010	15,419	-	15,419
At 31 March 2009	19,025	1,634	20,659

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

10 Debtors

	Group 2010 £	Group 2009 £	Charity 2010 £	Charity 2009 £
Amounts due from subsidiary undertaking	-	-	44,075	23,469
Sundry debtors	3,121	4,659	3,120	4,385
Dividends and interest receivable	59,833	38,685	59,774	38,685
Prepayments	1,667	1,497	1,667	1,497
	64,621	44,841	108,636	68,036

11 Creditors: amounts falling due within one year

	Group 2010 £	Group 2009 £	Charity 2010 £	Charity 2009 £
Sundry creditors and accruals	75,980	259,306	70,814	257,870
Grants payable	1,233,270	1,085,068	1,231,395	1,079,868
Deferred income	33,336	71,668	33,336	71,668
	1,342,586	1,416,042	1,335,545	1,409,406

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 and 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.

	2010 £	2009 £
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 grant-making. 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 and Wear Foundation Trust both hold permanently endowed funds.

	Group £	Charity £
At 1 April 2009	32,538,885	31,306,280
Transfers between funds		
Total returns endowment withdrawal	(853,611)	(853,611)
Transfers to endowment from income funds	105,676	105,676
Exceptional withdrawal from endowment funds	(17,434)	(17,434)
Net incoming resources before transfers	1,800,195	1,804,211
Gains & losses on investment assets	11,067,565	10,630,432
At 31 March 2010	44,641,276	42,975,554

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 £853,611 and is shown as a transfer from the endowment fund. A withdrawal of £15,798 was made from the Baines Fund and £1,636 from the FARNE Fund, both were used 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 Philanthropy Committee in consultation with people and companies who have set up funds within the Community Foundation for grant-making. 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 2010 have received sufficient funds to return them to credit.

	At 1 April 2009	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2010
	£	£	£	£	£
The 43	162,776	-	51,950	2,618	108,208
Frank Acfield	535	674	-	-	1,209
Akzo Nobel International Paint	1,328	17,334	16,204	1,300	1,158
Allendale Willow	2,341	-	2,100	241	-
Amec Offshore	20,356	5,441	8,000	-	17,797
Anonymous	194	-	-	-	194
Anonymous	5,000	-	-	5,000	-
Asian	2,293	2,849	3,700	-	1,442
Asylum Seekers' Hardship	3,040	-	-	-	3,040
Baines	527	1,481	16,775	(15,798)	1,031
Nancy Barbour Award	3,110	4,361	-	-	7,471
Barnes Grassroots	377	1,235	-	-	1,612
Sir Jeremy Beecham	317	1,134	2,700	-	(1,249)
Barbara & Chris Beith	327	183	75	-	435
Bellingham	3,429	2,014	5,411	-	32
Bird Family	86	1,057	1,250	-	(107)
Ron & Louise Bowey	-	-	-	-	-
Grassroots	-	8,171	-	3,558	4,613
Canford Audio	83	290	-	-	373
Capacitybuilders CPP	5,458	-	-	-	5,458
Capacity Builders Regional	40	-	-	-	40
Capacity Builders Tyne & Wear	4	-	-	-	4
Change up - Regional	1,299	-	-	-	1,299
Chapman	10,112	18,818	28,692	-	238
CNL Young People's	-	46,049	34,766	5,626	5,657
Comic Relief	-	61,000	69,620	-	(8,620)
Community Ventures	44,977	-	2,738	9,000	33,239
Sir Tom Cowie	13,762	45,351	35,000	-	24,113
John D Grassroots	-	5,282	-	2,446	2,836
Duncan & Sarah Davidson	1,201	2,186	1,500	-	1,887
Dicksons'	-	13,350	4,374	1,334	7,642
David Dockray's West End	1,304	33,916	32,314	-	2,906
Young People's	-	-	-	-	-
Pamela Denham Grassroots	-	128	-	128	-
Durham	-	1,816	1,816	-	-
eaga Community	-	81,000	73,228	72	7,700
Evangelical	2,568	5,996	5,000	-	3,564
Evening Chronicle Sunshine	125,101	326,747	138,063	181,481	132,304
Express Enterprise	590	841	-	-	1,431
Fair Share - Blyth	(120,968)	204,448	170,715	10	(87,245)
Fair Share - Wansbeck	(36,545)	163,141	135,726	10	(9,140)
Carried forward	255,022	1,056,293	841,717	197,026	272,572

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

14 Income funds - restricted (continued)

	At 1 April 2009	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2010
	£	£	£	£	£
Brought forward	255,022	1,056,293	841,717	197,026	272,572
FARNE	473	16,323	18,000	(1,636)	432
Fergusons of Blyth	6	4,628	-	-	4,634
Fogo Grassroots	332	17,143	-	12,820	4,655
Four Acre Trust	1	-	-	-	1
David Goldman Awards	186	21,619	21,373	-	432
Grassroots Gateshead	(1,800)	95,663	118,486	-	(24,623)
Grassroots Newcastle	1	139,900	153,142	-	(13,241)
Grassroots Northumberland	(7,778)	144,481	154,494	-	(17,791)
Grassroots North Tyneside	(1,633)	89,534	93,218	-	(5,317)
Grassroots Sunderland	273	145,510	156,253	-	(10,470)
Grassroots South Tyneside	(4,357)	79,490	82,712	-	(7,579)
Allison Greenlees Continuation	1,403	4,481	4,650	-	1,234
Green Scheme	3,484	508	3,559	102	331
Grounds Family	669	94	-	-	763
Jackie Haq Fund for Scotswood	3,155	1,129	-	-	4,284
Henry Smith Charity	511,200	712,000	803,800	-	419,400
Heyman Scholarships	3,732	3,464	2,780	146	4,270
Joy Higginson	2,189	1,011	400	-	2,800
High Sheriff of Northumberland	3,478	33,424	18,050	(230)	19,082
Homeless Young People	-	2,658	6,279	(5,742)	2,121
Hospital Visits	-	3,846	1,384	-	2,462
Hoult Family Grassroots Acorn	-	641	-	641	-
If only Grassroots	-	385	-	385	-
Josephs Family	500	2,000	2,000	-	500
JPMorgan	222	1,742	-	-	1,964
Kellett	(66,819)	267,910	297,349	-	(96,258)
Kerry Grassroots	-	1,509	-	282	1,227
Lady Grey Memorial	160	104	-	-	264
Latterford	555	410	500	-	465
Local Environmental Action	95,691	162,357	248,871	(7,894)	17,071
Lyndhurst	15,628	10	13,119	1,326	1,193
George Loggie	3,744	907	1,000	-	3,651
Muckle LLP Grassroots	-	6,623	-	6,623	-
NEA Silver Jubilee	1,100	-	-	-	1,100
NEF Grassroots	-	997	-	141	856
Northern Angel	8,365	30,769	12,600	-	26,534
North Tyneside	-	1,005	1,005	-	-
Northumberland Group	151,409	24,621	114,373	26,676	34,981
Out & About	-	20,513	13,363	2,051	5,099
P&G Grassroots	357	2,900	3,257	-	-
Patch	15,090	11,368	11,850	-	14,608
Percy Family	3,920	3,307	2,000	-	5,227
Port of Tyne	28,963	30,000	27,069	-	31,894
Prime Grassroots	3,176	11,875	-	-	15,051
Owen Pugh	-	11,000	10,000	1,000	-
Readman Family Grassroots	-	14,480	1,980	12,500	-
Readman Foundation	608,088	16,777	74,998	7,499	542,368
Carrie Reay	107	-	-	-	107
Carrie Reay Grassroots	(1,487)	3,658	-	(48)	2,219
Reeds Grassroots	-	6,094	-	5,500	594
Carried forward	1,638,805	3,207,161	3,315,631	259,168	1,271,167

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

14 Income funds - restricted (continued)

	At 1 April 2009	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2010
	£	£	£	£	£
Brought forward	1,638,805	3,207,161	3,315,631	259,168	1,271,167
Riding Grange Grassroots	-	2,215	-	275	1,940
Rio Tinto Alcan	10,911	15,000	11,787	-	14,124
Jane Robertson Alnwick	608	497	600	-	505
Brian Roycroft	17,104	8,987	6,334	7	19,750
Sage Gateshead	3,181	514,914	506,633	-	11,462
Sammy Johnson Memorial	3,246	71,885	20,799	287	54,045
Share Family	6,552	5,128	10,000	384	1,296
Shears Grassroots	-	4,716	1,205	2,575	936
Smail Family	650	1,616	500	-	1,766
SMD	108	-	-	-	108
South Tyne Valley	32,624	35,026	14,000	-	53,650
Sponsors Club for Arts & Business	82,357	154,767	24,870	113,643	98,611
Sport Relief	1,866	-	-	-	1,866
Strachan Family Grassroots	-	154	-	154	-
Sunderland Industrial & Reformatory School	415	993	500	-	908
Suz Grassroots	-	2,061	-	1,321	740
Targeted Support – Gateshead	-	217,729	217,729	-	-
Targeted Support – North Tyneside	-	174,500	174,500	-	-
Targeted Support – South Tyneside	-	156,000	156,000	-	-
Targeted Support - Sunderland Taylor	-	323,183	323,183	-	-
Thornton Family Grassroots	13,088	15,382	6,466	-	22,004
Three Valleys	-	1,809	-	353	1,456
Three Valleys Grassroots	872	1,684	-	1,000	1,556
Tiny Lives	687	4,398	650	-	4,435
Treeline Grassroots	197,095	242,825	84,753	179,275	175,892
Trusthouse Charitable Foundation	153	569	600	-	122
Trust Trevelyan	-	84,200	84,200	-	-
Trust Trevelyan	1,606	-	-	-	1,606
Tyne & Wear High Sheriff Awards	512	44,054	31,750	3,602	9,214
Ted Weekes	7,371	5,762	7,371	-	5,762
Tyhume Valley	600	21,344	-	(2,000)	23,944
Tyne & Wear Grassroots	-	1,007	-	641	366
UK Land Estates	4,553	-	4,552	-	1
Winter Family Grassroots	1,542	5,002	6,525	-	19
CH Wood	(359)	3,757	-	-	3,398
Women's	3,111	28,306	16,608	6,669	8,140
Young Musician's	956	3,993	4,290	-	659
Total Community Foundation	2,030,214	5,360,624	5,032,036	567,354	1,791,448
Joseph Brough Charitable Trust	15,141	23,005	23,000	29	15,117
Tyne and Wear Foundation Trust	3,664	10,889	5,964	29	8,560
Tyne & Wear Foundation Ltd	(30)	55,720	-	55,720	(30)
Total Group	2,048,989	5,450,238	5,061,000	623,132	1,815,095

Community Foundation

serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

14 Income funds - restricted (continued)

Income and transfers include credits of £539,556 transferred from the endowment fund to distribute as income on a total returns basis. Other outgoings include transfers between funds of £127,561, staff costs of £256,422 and other fund expenses and fundraising event costs of £239,149. 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 Hyde fund.

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 grant-making 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 2010 have received sufficient funds to return them to credit.

	At 1 April 2009	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2010
	£	£	£	£	£
Adderstone	9,722	9,233	11,600	-	7,355
Anonymous	48	-	-	-	48
Anonymous	238	2,448	2,000	-	686
Bank of England	1,000	1,000	1,800	200	-
Barnes	4,456	1,632	1,500	-	4,588
Peter & Angela Barratt	77	12,821	-	1,282	11,616
John Bell	6,870	25,434	26,500	-	5,804
Bellway	1,278	1,101	1,500	-	879
Benfield Motors	571	1,861	-	-	2,432
BNS Telecom	-	10,000	8,238	1,500	262
Bonas Machine Company	810	684	800	-	694
Ron and Louise Bowey	18,816	28,421	41,059	-	6,178
British Beer & Pub Association	(188)	4,715	-	-	4,527
Carr-Ellison Charitable Trust	2,739	22,309	22,800	500	1,748
CE Electric	2,081	6,877	6,500	-	2,458
Chrysalis	556	870	-	-	1,426
Roland Cookson	8,983	33,183	34,910	2,023	5,233
Croft Veterinary Hospital	-	10,000	1,500	1,000	7,500
Crozier	-	25,641	2,200	(1,936)	25,377
John D	10,000	8,231	16,254	694	1,283
Death of a Nightingale	814	1,020	-	-	1,834
Fogo	2,648	4,658	4,500	-	2,806
Gateshead Housing Company Community	63,283	92,750	47,951	16,500	91,582
George & Peggy	3,372	3,839	4,000	-	3,211
Michael & Christine Heppell	3,515	2,391	3,900	-	2,006
Hugonin Family	5,200	5,000	3,000	250	6,950
I'Anson Family	3,496	1,990	3,080	-	2,406
Keepmoat	-	8,334	7,084	1,250	-
John Laing	11,484	2,000	-	5,742	7,742
Abdul Latif, Lord of Harpole, Memorial	1,656	-	-	-	1,656
Carried forward	163,525	328,443	252,676	29,005	210,287

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

15 Income funds - unrestricted (continued)

	At 1 April 2009 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2010 £
Brought forward	163,525	328,443	252,676	29,005	210,287
William Leech Charity	28,727	20,006	21,000	-	27,733
Leech Challenge	14,965	2,341	12,000	-	5,306
Linden Family	(302)	20,627	19,171	-	1,154
Helen McArdle	101,095	-	79,166	4,166	17,763
Maudslay Family	1,379	381	1,000	-	760
G S May Family	5,208	5,215	1,000	-	9,423
Middleton Community Enterprises	208	-	-	-	208
Muckle LLP	36,462	-	21,300	-	15,162
Newcastle Brown Ale	14,005	1,984	7,820	-	8,169
Newcastle Building Society Community	11,653	11,898	17,637	5,914	-
Northumbrian Water	14	3,137	3,151	-	-
PricewaterhouseCoopers	1,151	1,429	-	-	2,580
Prime	7,900	9,515	13,497	-	3,918
P&G	4	30,328	22,832	7,500	-
David & Susan Ratliff	4,844	-	4,343	-	501
Guy Readman	332	-	-	-	332
Ridley Family	8,711	7,692	15,087	577	739
Ringtons	9,369	18,581	15,027	-	12,923
Rolls-Royce	68	926	-	-	994
Joseph Rowntree Charitable Trust	65,193	11,044	49,546	-	26,691
Ryder Architecture	1,000	5,000	5,500	500	-
St Cuthbert's	6,922	784	-	-	7,706
Sage Community	78,500	45,000	65,020	2,250	56,230
SCM Pharma	10,000	-	10,000	-	-
Johnnie & Tricia Smith	504	1,723	1,400	-	827
Social Capital	11,574	(1,683)	-	6,931	2,960
Specials Laboratory	9,300	11,000	11,540	1,000	7,760
Barry & Faga Speker	993	-	900	-	93
Staff Giving	364	1,280	1,200	-	444
Star	7,720	7,552	6,250	1,000	8,022
Roy Stewart	146	316	250	-	212
TESS	5,341	3,207	8,020	-	528
Treeline	391	1,703	1,300	200	594
Vaux	1,332	6,264	7,596	-	-
Ward Hadaway	5,411	396	750	-	5,057
Watkin Family	(3,176)	22,145	18,700	-	269
Wearl	3,743	-	3,369	374	-
Willis Charitable	1,295	985	-	-	2,280
Winter Family	1,686	1,911	3,550	-	47
Nigel Wright Consultancy	2,500	5,000	7,145	-	355
Other general grant-making funds	253,540	131,648	53,145	50,000	282,043
Total designated funds	873,597	717,778	761,888	109,417	720,070
Administrative fund	551,661	742,769	-	718,650	575,780
Total Community Foundation	1,425,258	1,460,547	761,888	828,067	1,295,850
Total Group	1,425,258	1,460,547	761,888	828,067	1,295,850

Community Foundation

serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

15 Income funds - unrestricted (continued)

Income and transfers include £314,055 transferred from the endowment fund to distribute as income on a total returns basis. Other outgoings and transfers consist of credits of £39,319 transferred between funds, less £599,771 staff costs, £35,834 outreach & evaluation costs, £3,954 designated fund expenses and other administrative costs of £227,827.

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 42 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	2010 Total
	£	£	£	£
Investments	-	-	44,459,762	44,459,762
Tangible fixed assets	15,419	-	-	15,419
Current assets	1,549,296	2,851,027	219,303	4,619,626
Current liabilities	(268,865)	(1,035,932)	(37,789)	(1,342,586)
Total net assets	1,295,850	1,815,095	44,641,276	47,752,221

17 Financial commitments

At 31 March 2010 the Group had no annual commitments under non-cancellable operating leases as the current lease in premises had expired and a future lease is contingent on completion of an air control system.

	Land & buildings 2010	Land & buildings 2009
	£	£
Expiry date		
Within one year	-	63,500
Within two to five years	-	-
Over five years	-	-
	-	63,500

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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 £45,967 (2009 £59,094). Outstanding contributions at 31 March 2010 were £441 (2009 £616).

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 and 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 £7,901,083 (2009 £6,886,950) and its net incoming resources for the year were £670,668 (2009 £151,872).

The company made gains on investments of £10,630,432 (2009 £6,602,245 loss). The company's net increase in funds was £11,301,100 (2009 £9,237,639 decrease).

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, £32,589 was gift aided in June 2010 (2009 £25,217). A summary of results of the subsidiary company is shown below:

	Total 2010 £	Total 2009 £
Turnover	88,309	84,298
Cost of sales	(55,683)	(59,056)
Operating profit	32,626	25,242
Administrative costs	(37)	(25)
Net profit	32,589	25,217

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
	2010	2009
	£	£
Assets	49,311	24,975
Liabilities	(49,241)	(24,905)
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
	2010	2009
	£	£
Investment income	27,505	36,791
Charitable expenditure	(27,529)	(30,092)
Investment management costs	(1,843)	-
Gains and losses on investments	321,744	(269,748)
Net movement in funds	319,877	(263,049)

The aggregate of the assets, liabilities and funds was

	Total	Total
	2010	2009
	£	£
Assets	1,224,062	907,310
Liabilities	(1,875)	(5,000)
Funds	1,222,187	902,310

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

19 Subsidiary company and charities (continued)

Represented by

	Total	Total
	2010	2009
	£	£
Permanent endowment fund	1,207,070	887,169
Restricted funds	15,117	15,141
Funds	1,222,187	902,310

The Community Foundation is also sole trustee of Tyne and 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 and Wear Foundation Trust is shown below.

	Total	Total
	2010	2009
	£	£
Investment income	16,852	16,762
Investment management costs	(2,173)	(2,414)
Charitable expenditure	(11,956)	(14,109)
Gains and losses on investments	115,389	(120,375)
Net movement in funds	118,112	(120,136)

The aggregate of the assets, liabilities and funds was

	Total	Total
	2010	2009
	£	£
Assets	467,212	349,300
Liabilities	-	(200)
Funds	467,212	349,100

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

19 Subsidiary company and charities (continued)

Represented by

	Total	Total
	2010	2009
	£	£
Permanent endowment fund	458,652	345,436
Restricted funds	8,560	3,664
Funds	467,212	349,100

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

20 Related party transactions

In the ordinary course of the Community Foundation's activities, it has awarded grants and outreach contracts to other charities or organisations that have common Trustees/Directors, 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 £411,647 to Community Foundation during the year, (2009 £380,814) to named endowment and revenue funds. Jo Curry is an employee of VONNE, which sublet part of Community Foundation offices and during the year paid £23,158 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 MBE	Treasurer	5,850	-
Gateshead CAB	Lisa Charlton MBE	Employee	25,000	-
HealthWORKS Newcastle	Chris Drinkwater CBE	Trustee	2,000	-
County Durham Foundation	Mark I'Anson	Trustee	5,316	-
Sunderland AFC Foundation	Jamie Martin OBE	Committee Member	400	-
Theatre Royal	Jamie Martin OBE	Committee Member	400	-
Brinkburn Music	Richard Maudslay CBE	Chairman	100	-
Gateshead Voluntary Organisation Council	Gev Pringle	Employee	-	5,000
Adapt (North East)	Elizabeth Prudhoe	Company Secretary	13,640	-
Hindu Nari Sangh	Shobha Srivastava	Chair	500	-
Archbishop of York Youth Trust	Hugh Welch	Trustee	5,000	-
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

	2010 £
Increase in cash in period	691,525
Decrease in short term deposits	(1,104,791)
Movement in net funds in the year	(413,266)
Net funds at 1 April 2009	4,968,271
Net funds at 31 March 2010	4,555,005

Analysis of net funds

	1 April 2009 £	Cashflow £	31 March 2010 £
Cash at bank and building society	1,033,541	691,525	1,725,066
Short term deposits	3,934,730	(1,104,791)	2,829,939
Net funds	4,968,271	(413,266)	4,555,005

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 be required to agree any changes to the Memorandum and Articles