

Community Foundation

serving Tyne & Wear and Northumberland

(A company limited by guarantee)

Directors' annual report and accounts for the year ended 31 March 2011

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' annual report and accounts for the year ended 31 March 2011

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

Annual report for the year ended 31 March 2011

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 four 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 during the year also encompassed four projects: the Sponsors Club for Arts & Business, Tiny Lives, Evening Chronicle Sunshine Fund and Local Environmental Action Fund. These have distinct aims and objectives but are not registered charities in their own right, and form part of the Community Foundation. All four projects are accounted for under restricted funds. The Evening Chronicle Sunshine Fund staff and revenue funds were transferred to a separate charity on 30 June 2010.

The Community Foundation also administers The Fred Clay Trust, which has its own trustees and reports separately to the Charity Commission and its financial information is not included within these accounts.

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 2011 (continued)

Advisers

Chartered Accountants and Statutory 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

Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

Wardhadaway
Sandgate House
102 Quayside
Newcastle upon Tyne
NE1 3DX

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

Annual report for the year ended 31 March 2011 (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 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 Honorary Officers 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,
- considers strategic issues, and
- 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 2011 (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 & Risk Committee (Audit)
- Development Committee (Dev)
- Honorary Officers (Hon)
- Investment & Finance Committee (Inv)
- Philanthropy Committee (Phil)

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

Ashley Winter OBE – Chair from November 2010 elected October 2008	(Hon, Dev)
Hugh Welch – Chair to November 2010 co-opted October 2001, elected October 2003, retired November 2010	(Hon)
Richard Maudslay CBE – Deputy Chair co-opted October 2003	(Hon, Dev)
Chris Drinkwater CBE – Deputy Chair co-opted October 2006	(Phil, Hon)
Colin Seccombe – Treasurer elected October 2007	(Inv, Hon)
Lisa Charlton MBE elected October 2004, co-opted November 2009, retired November 2010	(Phil)
John Clough MBE co-opted 23 November 2009, elected November 2010	(Inv)
Alastair Conn elected 23 November 2009	(Inv)
Jo Curry co-opted October 2008, elected November 2010	(Phil)
Jill Dixon appointed October 2006 to represent public bodies, retired November 2011	(Audit)
Charles Harvey co-opted October 2008	(Phil, Audit)
Dean T. Huggins elected October 2008	(Phil, Audit)
Mark I'Anson elected October 2007, resigned April 2010	(Dev)
Roger Kelly appointed November 2010 to represent statutory authorities	(Dev)
Jamie Martin OBE co-opted October 2006, elected November 2010	(Dev, Audit)
Gev Pringle co-opted 23 November 2009	(Phil, Inv)
Elizabeth Prudhoe elected October 2008, retired November 2010	(Phil)
Kate Roe appointed November 2010 to represent statutory authorities	(Audit)
John Sands elected October 2005	(Inv)
Betty Weallans elected 23 November 2009	(Phil)
Susan Winfield OBE appointed October 2006 to represent statutory authorities	(Audit)

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

Annual report for the year ended 31 March 2011 (continued)

Structure, governance and management (continued)

The following members of the Board served during the year but retired before the year end Hugh Welch, Lisa Charton, Jill Dixon, Mark I'Anson and Elizabeth Prudhoe Members who will retire at the 2011 Annual General Meeting are Richard Maudslay and John Sands Dean T Huggins and Ashley Winter retire by rotation and are eligible for re-election

The Board also appoints a President, Vice Presidents and Patrons in recognition of their distinguished service to the community or contributions to the Community Foundation These are honorary positions with no formal powers or duties The Board reviewed appointments in September 2010 The current office holders are listed in the yearbook and on the Community Foundation's website

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
Lisa Cappleman	Head of Philanthropy Development
Derry Nugent	Head of Philanthropy Services
Mark Pierce	Head of Policy, Projects & Programmes
Sonia Waugh	Finance & Operations Director/Deputy Chief Executive

At the year end there was a total of 17 core staff and 7 project staff

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

Annual report for the year ended 31 March 2011 (continued)

Risk assessment

The Board receives an annual assessment of risk prepared by the senior staff and agrees steps to manage risk. In September 2010 the Board approved a new policy for determining, managing and reviewing the risks to which the Community Foundation is exposed. The Board then received an updated risk register in December 2010. The Board will review the risk policy every three years. The risk register is reviewed quarterly and any significant changes reported to the Board. Every year, the Board will receive a report on risk and approve an updated risk register. The main risks identified in 2010 were

- Weak economic climate/stock market crash
- Failure to sell unrestricted/discretionary giving
- Failure to secure external programmes
- Loss of donor confidence/dispute
- Loss of projects
- Not being seen as a source of community knowledge
- Failure to support, develop, retain or recruit staff

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.

The Community Foundation's operational purpose is stated as follows

"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 Young Musicians Fund only makes grants to develop musical skills of young people. 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 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 grant-making and are satisfied that it meets the requirements.

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

Annual report for the year ended 31 March 2011 (continued)

Achievements and performance

The Community Foundation awarded 1,603 grants (2010 1,743) totalling £4.8m (2010 £5.9m) 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	1,198	3,209,236
Active at 60	13	36,475
Fair Share	7	189,926
Grassroots Grants	355	636,441
Henry Smith Charity	30	693,400
Total grants awarded by the full Group	1,603	£4,765,478

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 fell by 18% compared to 2010 mainly due to the Community Foundation managing the Government's one-off Targeted Support programme in 2010. The Community Foundation works with outreach partners to ensure that grants are available to new and grass roots projects. There was a slight increase in the value of grants made from Community Foundation funds during the year and this figure includes an exceptional grant of £445,948 made to the Stuart Halbert Foundation.

The Community Foundation continued to run the Government's Grassroots programme in Tyne & Wear and Northumberland which came to an end in March 2011. The programme provided grants to "grassroots" groups and also £2m over three years as incentives to individual and corporate donors to establish Grassroots endowment funds.

The Community Foundation provided grant-making services for 1989 Willan Charitable Trust, which awarded grants of £431,226 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 six new endowment funds established including 2 new acorn funds. These included £230,930 worth of Trust transfers to establish the Berwick High School and George Cringle Scholarship Funds. In addition to new funds, a number of other endowment funds saw additional gifts including £641,667 added to the Readman Family Grassroots Fund, £108,082 to the Reeds Grassroots Fund and £100,000 to the Linden Fund. There were seven new revenue funds, including a corporate fund set up by ContiTech Beattie and a memorial fund in the name of Pam Katirai. More detailed descriptions of activities and their impact are included in the Community Foundation's yearbook.

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

Annual report for the year ended 31 March 2011 (continued)

Financial review

Net assets at 31 March 2011 were £50.8m (2010 £47.8m) £47.4m of the assets related to endowment funds (2010 £44.6m). The total unrealised and realised gains on investments amounted to £2.6m (2010 £11.1m). There were new donations to the endowment funds during the year of £1.9m (2010 £1.9m), and fees and transfers out of endowment of £1.7m (2010 £0.9m). 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 9%. 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 9%.

Incoming resources for the year totalled £6.7m (2010 £8m). Grants from public bodies fell by over £0.8m due to the Targeted Support Fund coming to an end in 2010. The main sources of income were new donations, grants from public bodies and investment income. The main resources expended were for charitable grants of £4.7m net (2010 £5.8m).

Fundraising events within the charity represent events held to raise funds for two restricted funds, Evening Chronicle Sunshine (part year only) and Tiny Lives.

As part of the strategic plan adopted in June 2010 a finance review was carried out, this identified a target saving of £100,000 in salary costs and an additional income target of £30,000. A staff restructure was implemented in February 2011 to achieve the necessary savings going forward.

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 2011 of £1,410,202 includes £909,382 set aside for designated funds which are solely for future grant-making, and the balance of £500,820 as 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 and the Board has decided to carry out a full review of its reserve policy during 2011/12.

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

Annual report for the year ended 31 March 2011 (continued)

Plans for future periods

The Community Foundation adopted a new strategy and business plan in 2010 with the overall aim of growing the Community Foundation, increasing its visibility and impact whilst making it more financially sustainable. The plan will be reviewed and updated in June 2011. Forward budgets agreed in March 2011 take account of the savings on staff costs following the restructure and show the Foundation's operating budget breaking even by March 2013. In the intervening period, the Board will continue to draw on its surplus reserves to meet a budgeted operating deficit for 2011/12.

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. Despite the Grassroots match programme ending, the Board is reasonably confident of the Community Foundation's ability to raise further funds to support its activities.

Statement of Directors' responsibilities

The Directors (who are also trustees of the Community Foundation for the purpose of company law) 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Annual report for the year ended 31 March 2011 (continued)

Statement of Directors' responsibilities (continued)

In so far as the Directors are aware

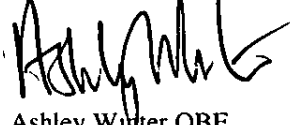
- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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.

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



Ashley Winter OBE
Chair

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 2011 which comprise the Group Statement of Financial Activities, the Group Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors (who are also the trustees of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditors under the Companies Act 2006 and section 43 of the Charities Act 1993 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the charity's members and directors as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and with Regulation 30 of The Charities (Accounts and Reports) Regulations 2008 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the group's and charitable company's circumstances and have been consistently applied and adequately disclosed,
- the reasonableness of significant accounting estimates made by the directors, and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2011 and of the group's incoming resources and application of resources, including its income and expenditure and cash flows, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 1993

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 1993 require us to report to you if, in our opinion

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent charitable company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Nicola Wright

Nicola Wright (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP,
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne

28th September 2011

PricewaterhouseCoopers LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Community Foundation
serving Tyne & Wear and Northumberland

**Consolidated statement of financial activities
for the year ended 31 March 2011**

	Note	Unrestricted funds	Restricted funds	Endowment funds	Total 2011	Total 2010
		£	£	£	£	£
Incoming resources						
Incoming resources from generated funds						
Voluntary income						
Donations		498,395	1,708,969	1,236,389	3,443,753	3,625,976
Grants from public bodies		162,014	1,121,951	679,787	1,963,752	3,927,504
Activities for generating funds						
Fundraising events		-	78,820	-	78,820	321,639
Investment income	1	438,094	739,037	-	1,177,131	1,210,990
Other incoming resources		20,991	-	-	20,991	20,110
Total incoming resources		1,119,494	3,648,777	1,916,176	6,684,447	7,990,697
Resources expended						
Costs of generating funds						
Costs of generating donations	3	240,702	111,348	-	352,050	352,894
Costs of fundraising events	4	10,685	60,114	-	70,799	271,017
Investment managers' fees		-	-	160,221	160,221	133,328
Charitable activities	5	1,256,868	4,234,620	-	5,491,488	6,451,746
Governance costs	6	100,991	7,543	-	108,534	90,078
Other resources expended		20,991	-	-	20,991	20,110
Total resources expended		1,630,237	4,413,625	160,221	6,204,083	7,319,173
Net (outgoing)/incoming resources before transfers		(510,743)	(764,848)	1,755,955	480,364	671,524
Gross transfers between funds	13-15	625,095	941,312	(1,566,407)	-	-
Net incoming resources before taxation		114,352	176,464	189,548	480,364	671,524

Community Foundation
serving Tyne & Wear and Northumberland

**Consolidated statement of financial activities
for the year ended 31 March 2011 (continued)**

	Note	Unrestricted funds	Restricted funds	Endowment funds	Total 2011	Total 2010
		£	£	£	£	£
Net incoming resources before taxation		114,352	176,464	189,548	480,364	671,524
Taxation	12	-	-	-	-	-
Net incoming resources before other recognised gains/losses		114,352	176,464	189,548	480,364	671,524
Gains & losses on investment assets	8	-	-	2,596,707	2,596,707	11,067,565
Net movement in funds		114,352	176,464	2,786,255	3,077,071	11,739,089
Fund balances brought forward at 1 April 2010		1,295,850	1,815,095	44,641,276	47,752,221	36,013,132
Fund balances carried forward at 31 March 2011		1,410,202	1,991,559	47,427,531	50,829,292	47,752,221

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 2011**

	Note	2011 £	2010 £
Income - continuing operations			
Donations		2,207,364	2,360,402
Grants from public bodies		1,283,965	2,144,033
Fundraising events		78,820	321,639
Investment income		1,177,131	1,210,990
Other income		20,991	20,110
		4,768,271	6,057,174
Expenditure - continuing operations			
Grants	5	4,706,570	5,822,887
Staff costs	7	826,289	856,193
Other costs		511,003	506,765
		6,043,862	7,185,845
Net deficit for the year before transfers, investment asset disposals and taxation		(1,275,591)	(1,128,671)
Transfer from endowment fund		1,566,407	765,369
Taxation	12	-	-
Net surplus/(deficit) for the year		290,816	(363,302)

The total income of £4,768,271 comprises £1,119,494 for unrestricted funds and £3 648,777 for restricted funds as shown in the statement of financial activities. The total expenditure of £6,043,862 comprises £1,630,237 for unrestricted funds and £4,413,625 for restricted funds as shown in the statement of financial activities.

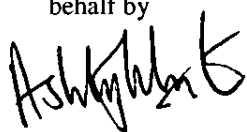
Community Foundation
serving Tyne & Wear and Northumberland

Balance sheets as at 31 March 2011

Registered company number 2273708

	Note	Group 2011 £	Group 2010 £	Charity 2011 £	Charity 2010 £
Fixed assets					
Endowment fund investments	8	47,539,464	44,459,762	45,720,498	42,832,066
Investments	8	-	-	100	100
Tangible assets	9	9,998	15,419	9,998	15,419
		47,549,462	44,475,181	45,730,596	42,847,585
Current assets					
Debtors	10	52,394	64,621	50,982	108,636
Cash on short term deposit		3,310,517	2,829,939	3,310,517	2,829,939
Cash at bank and building society		1,331,861	1,725,066	1,274,194	1,612,237
Total current assets		4,694,772	4,619,626	4,635,693	4,550,812
Creditors: amounts falling due within one year	11	(1,414,942)	(1,342,586)	(1,413,096)	(1,335,545)
Net current assets		3,279,830	3,277,040	3,222,597	3,215,267
Total assets less current liabilities		50,829,292	47,752,221	48,953,193	46,062,852
Capital funds					
Endowment fund	13	47,427,531	44,641,276	45,575,066	42,975,554
Income funds					
Restricted	14	1,991,559	1,815,095	1,967,925	1,791,448
Unrestricted	15	1,410,202	1,295,850	1,410,202	1,295,850
Total funds		50,829,292	47,752,221	48,953,193	46,062,852

The accounts on pages 13 to 40 were approved by the Board on 27 September 2011 and were signed on their behalf by


Ashley Winter OBE

Chair


Colin Seccombe

Treasurer

Community Foundation
serving Tyne & Wear and Northumberland

Consolidated cashflow statement for the year ended 31 March 2011

	Note	Group 2011 £	Group 2010 £
Net incoming resources before revaluations and taxation		480,364	671,524
Investment income		(1,116,361)	(1,143,033)
Interest receivable		(60,770)	(67,957)
Receipts of endowment funds		(1,916,176)	(1,933,523)
Depreciation		7,973	10,245
Decrease in debtors		12,227	1,368
Increase/(decrease) in creditors		72,356	(73,456)
Net cash outflow from operating activities		(2,520,387)	(2,534,832)
Returns on investments and servicing of finance			
Investment income		1,116,361	1,143,033
Interest receivable		60,770	46,809
		1,177,131	1,189,842
Taxation			
Tax paid		-	-
Capital expenditure and financial investment			
Payments to acquire fixed assets		(2,552)	(5,005)
Purchase of investments		(15,007,911)	(15,494,905)
Proceeds from sale of investments		14,524,916	14,498,111
		(485,547)	(1,001,799)
Management of liquid resources			
(Increase)/decrease in short term deposits	21	(480,578)	1,104,791
Financing			
Receipts of Endowment Funds		1,916,176	1,933,523
(Decrease)/increase in cash in year	21	(393,205)	691,525

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 £1,268,049 (2010 £853,611) in excess of investment income, was transferred from the endowment fund to restricted (£810,113) and unrestricted (£457,936) 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 All of the properties were revalued by property consultants during 2011 and the Directors consider the valuations to be reasonable 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 2011

1 Investment income

	2011	2010
	£	£
Dividends & interest from endowment fund assets	1,116,361	1,143,033
Interest receivable on cash deposits	60,770	67,957
	1,177,131	1,210,990

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 2011 £	Total 2010 £
Staff costs	50,216	5,612	108,459	8,860	173,147	163,877
Overhead costs	55,181	5,073	107,767	13,096	181,117	163,254
	105,397	10,685	216,226	21,956	354,264	327,131
Included in overhead costs are the following					2011	2010
					£	£
Operating lease rentals - land and buildings					59,200	63,500
Depreciation					7,973	10,245

3 Costs of generating donations

	2011	2010
	£	£
Staff costs	201,530	206,051
Direct costs	45,123	48,099
Support costs	105,397	98,744
	352,050	352,894

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

4 Costs of fundraising events

	2011 £	2010 £
Staff costs	17,534	64,220
Direct costs	42,580	177,529
Support costs	10,685	29,268
	70,799	271,017

5 Charitable activities

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

	2011 £	2010 £
Grants payable	4,706,570	5,822,887
Staff costs	383,192	371,945
Outreach & evaluation costs	37,500	35,834
Direct costs	148,000	41,169
Support costs	216,226	179,911
	5,491,488	6,451,746

Included within direct costs is a payment of £80,214 which was transferred to Evening Chronicle Sunshine Fund charity in accordance with the agreement signed 30 June 2010

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

	2011 £	2011 Number	2010 £	2010 Number
Grants approved for payment				
Other charities & voluntary organisations	4,655,639	1,389	5,643,661	1,427
Individuals	109,839	214	212,900	316
Total new grants awarded in the year	4,765,478	1,603	5,856,561	1,743
Grants cancelled	(58,908)	-	(33,674)	-
Total grant expenditure	4,706,570	1,603	5,822,887	1,743

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

	2011 £	2010 £
Staff costs	50,886	50,099
Auditors' remuneration		
- Audit services	7,500	7,500
Legal & professional	22,059	5,053
Direct costs	6,133	8,218
Support costs	21,956	19,208
	108,534	90,078

7 Staff costs

Staff costs comprise the following	2011 £	2010 £
Salaries	718,754	741,110
Social security costs	69,838	69,116
Other pension costs	37,697	45,967
	826,289	856,193

The average number of employees, excluding Company Directors, employed by the Group during the year was 27 (2010 30)

None of the Directors received any remuneration during the year (2010 Nil) None of the Directors received reimbursements for expenses during the year (2010 Nil)

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

	2011 Number	2010 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 2010	42,560,981	1,561,280	337,501	44,459,762
Additions in the year	14,881,268	126,643	-	15,007,911
Disposals in the year	(14,524,916)	-	-	(14,524,916)
Realised losses in the year	(13,155)	-	-	(13,155)
Unrealised gains in the year	2,588,070	-	21,792	2,609,862
At 31 March 2011	45,492,248	1,687,923	359,293	47,539,464
At cost				
At 31 March 2011	37,841,598	1,687,923	273,001	39,802,522
At 31 March 2010	35,931,978	1,561,280	273,001	37,766,259

Listed investments are detailed as follows	2011 Market Value £	2010 Market Value £
UK Fixed Interest	4,629,788	5,321,566
UK Equities	21,158,690	21,640,415
Property	1,046,755	741,233
Overseas Fixed Interest	1,895,041	1,959,918
Overseas Equities	15,174,298	12,039,442
Other	1,587,676	858,407
	45,492,248	42,560,981

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 2010	40,933,285	1,561,280	337,501	42,832,066
Additions in the year	13,894,947	126,643	-	14,021,590
Disposals in the year	(13,616,985)	-	-	(13,616,985)
Realised losses in the year	(40,745)	-	-	(40,745)
Unrealised gains in the year	2,502,780	-	21,792	2,524,572
At 31 March 2011	43,673,282	1,687,923	359,923	45,720,498

At cost

At 31 March 2011	36,250,464	1,687,923	273,001	38,211,388
At 31 March 2010	34,502,392	1,561,280	273,001	36,336,673

Other investments - Charity

At valuation	Unlisted investments £
At 1 April 2010	100
At 31 March 2011	100
At cost	
At 31 March 2011	100
At 31 March 2010	100

Listed investments are detailed as follows	2011 Market Value £	2010 Market Value £
UK Fixed Interest	4,243,781	5,024,096
UK Equities	20,392,148	20,863,157
Property	1,020,044	717,296
Overseas Fixed Interest	1,837,254	1,898,524
Overseas Equities	14,596,022	11,575,097
Other	1,584,033	855,115
	43,673,282	40,933,285

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

8 Investments (continued)

Unlisted investments held by the charity relate to £100 (2010 £100) investment in the subsidiary company Tyne & Wear Foundation Limited at cost. At 31 March 2011, 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 £1,754,657 (2010 £376,495).

9 Tangible fixed assets

Group and Charity

	Furniture & equipment £	Office improvements £	Total £
Cost			
At 1 April 2010	81,468	20,269	101,737
Additions	2,552	-	2,552
Disposals	(660)	-	(660)
At 31 March 2011	83,360	20,269	103,629
Depreciation			
At 1 April 2010	66,049	20,269	86,318
Charge for the year	7,973	-	7,973
Disposals	(660)	-	(660)
At 31 March 2011	73,362	20,269	93,631
Net book value			
At 31 March 2011	9,998	-	9,998
At 31 March 2010	15,419	-	15,419

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

10 Debtors

	Group 2011 £	Group 2010 £	Charity 2011 £	Charity 2010 £
Amounts due from subsidiary undertaking	-	-	-	44,075
Sundry debtors	2,992	3,121	2,992	3,120
Dividends and interest receivable	49,402	59,833	47,990	59,774
Prepayments	-	1,667	-	1,667
	52,394	64,621	50,982	108,636

11 Creditors: amounts falling due within one year

	Group 2011 £	Group 2010 £	Charity 2011 £	Charity 2010 £
Sundry creditors and accruals	101,546	75,980	101,546	70,814
Grants payable	1,308,268	1,233,270	1,306,393	1,231,395
Amounts due to subsidiary undertaking	-	-	29	-
Deferred income	5,128	33,336	5,128	33,336
	1,414,942	33,336	1,413,096	1,335,545

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.

	2011 £	2010 £
Corporation tax payable	-	-

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

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 2010	44,641,276	42,975,554
Transfers between funds		
Total returns endowment withdrawal	(1,268,049)	(1,268,049)
Transfers to endowment from income funds	110,900	110,900
Exceptional withdrawal from endowment funds	(409,258)	(409,258)
Net incoming resources before transfers	1,755,955	1,682,092
Gains & losses on investment assets	2,596,707	2,483,827
At 31 March 2011	47,427,531	45,575,066

The Community Foundation (Charity) operates a total returns investment strategy and withdraws income from the endowment funds at a rate of 6% per annum to credit income funds to pay for grants and running costs. The difference between the actual endowment income received on the investments and the total withdrawal figure was £1,268,049 and is shown as a transfer from the endowment fund. A withdrawal of £25,611 was made from the Baines Fund and £383,647 from the South Tyne Valley 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 2011 have received sufficient funds to return them to credit.

	At 1 April 2010	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2011
	£	£	£	£	£
The 43	108,208	-	36,180	906	71,122
Frank Acfield	1,209	818	-	-	2,027
Active at 60 South Tyneside	-	30,223	17,475	-	12,748
Active at 60 Sunderland	-	32,542	19,000	-	13,542
Akzo Nobel International Paint	1,158	30,862	16,299	2,600	13,121
Amec Offshore	17,797	6,159	15,000	-	8,956
Anonymous	194	-	-	-	194
Arts	-	40,000	-	9,700	30,300
Asian	1,442	6,212	2,287	2,520	2,847
Asylum Seekers' Hardship	3,040	-	-	-	3,040
Baines	1,031	647	26,000	(24,322)	-
Nancy Barbour Award	7,471	4,935	5,000	-	7,406
Barnes Grassroots	1,612	3,214	-	1,237	3,589
Sir Jeremy Beecham	(1,249)	1,283	-	-	34
Barbara & Chris Beith	435	206	310	-	331
Bellingham	32	2,278	2,190	-	120
Berwick High School	-	5,742	2,605	-	3,137
Bird Family	(107)	1,465	1,150	-	208
Ron & Louise Bowey					
Grassroots	4,613	8,292	7,000	1,035	4,870
Canford Audio	373	335	-	-	708
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	238	21,268	21,506	-	-
CNL Young People's	5,657	13,729	35,928	-	(10,916)
Comic Relief	(8,620)	200,388	126,540	18,299	41,303
Community Ventures	33,239	-	-	8,326	24,913
Sir Tom Cowie	24,113	58,125	47,239	25,000	9,999
John D Grassroots	2,836	9,369	7,502	2,631	2,072
Duncan & Sarah Davidson	1,887	2,525	3,750	-	662
Dicksons'	7,642	-	5,850	-	1,792
David Dockray's West End					
Young People's	2,906	38,391	35,998	-	5,299
Durham	-	2,063	1,520	-	543
Eaga Community	7,700	-	(13,065)	-	20,765
Evangelical	3,564	6,785	5,000	-	5,349
Evening Chronicle Sunshine	132,303	26,845	41,857	117,291	-
Express Enterprise	1,431	953	-	-	2,384
Carried forward	144,998	34,583	46,857	117,291	2,384

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

14 Income funds - restricted (continued)

	At 1 April 2010	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2011
	£	£	£	£	£
Brought forward	0	0	0	0	0
Fair Share - Blyth	(87,245)	56,084	10,988	6	(42,155)
Fair Share - Wansbeck	(9,140)	114,272	178,938	6	(73,812)
FARNE	432	20,334	9,250	-	11,516
Fergusons of Blyth	4,634	5,240	5,000	-	4,874
Fogo Grassroots	4,655	13,490	2,045	-	16,100
David Goldman Awards	432	24,472	24,462	-	442
Grassroots Gateshead	(24,623)	98,952	72,197	-	2,132
Grassroots Newcastle	(13,241)	203,471	129,687	-	60,543
Grassroots Northumberland	(17,791)	208,920	129,246	-	61,883
Grassroots North Tyneside	(5,317)	144,122	86,041	-	52,764
Grassroots Sunderland	(10,470)	150,829	139,389	-	970
Grassroots South Tyneside	(7,579)	82,536	73,522	-	1,435
Allison Greenlees Continuation	1,234	5,073	4,600	-	1,707
Green Scheme	331	508	(360)	50	1,149
Grounds Family	763	106	500	-	369
Jackie Haq Fund for Scotswood	4,284	1,247	4,200	800	531
Henry Smith Charity	419,400	571,500	693,400	-	297,500
Heyman Scholarships	4,270	4,111	-	11	8,370
Joy Higginson	2,800	1,204	200	-	3,804
High Sheriff of Northumberland	19,082	32,019	26,100	10,911	14,090
Homeless Young People	2,121	3,008	-	-	5,129
Hospital Visits	2,462	-	-	-	2,462
Hoult Family Grassroots Acorn	-	641	-	641	-
If only Grassroots	-	467	-	-	467
Josephs Family	500	2,000	2,000	-	500
JPMorgan	1,964	1,972	-	-	3,936
Pam Katirai Memorial	-	346	4,150	(4,000)	196
Kellett	(96,258)	303,149	122,561	-	84,330
Kerry Grassroots	1,227	2,478	-	-	3,705
Lady Grey Memorial	264	119	-	-	383
Latterford	465	451	500	-	416
Local Environmental Action	17,071	148,666	143,774	(5,991)	27,954
Localgiving.com	-	16	-	-	16
Lyndhurst	1,193	5	1,072	15	111
George Loggie	3,651	1,026	-	-	4,677
Maudslay Family Grassroots	-	1,730	-	1,282	448
Alan Morse Grassroots	-	119	-	119	-
Muckle LLP Grassroots	-	4,873	-	-	4,873
NEA Silver Jubilee	1,100	-	-	-	1,100
NEF Grassroots	856	1,305	-	-	2,161
Northern Angel	26,534	30,769	35,734	6,153	15,416
North Tyneside	-	1,162	1,162	-	-
North Tyneside Women's Aid	-	50,000	-	5,000	45,000
Northumberland Group	34,981	28,151	3,658	-	59,474
Out & About	5,099	200,000	5,000	-	200,099
P&G Grassroots	-	3,438	3,149	-	289
Patch	14,608	12,868	12,800	-	14,676
Percy Family	5,227	3,817	3,990	-	5,054
Play your part	-	1,000	-	(1,300)	2,300
Carried forward	19,835	332,510	28,597	3,700	326,892

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

14 Income funds - restricted (continued)

	At 1 April 2010	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2011
	£	£	£	£	£
Brought forward	0	0	0	0	0
Port of Tyne	31,894	-	15,885	-	16,009
Prime Grassroots	15,051	13,767	18,399	-	10,419
Owen Pugh	-	11,000	10,000	1,000	-
Readman Family Grassroots	-	60,223	33,047	25,000	2,176
Readman Foundation	542,368	10,469	79,632	107,973	365,232
Carrie Reay	107	-	-	-	107
Carrie Reay Grassroots	2,219	3,181	4,005	-	1,395
Reeds Grassroots	594	11,368	-	4,500	7,462
Riding Grange Grassroots	1,940	2,719	-	-	4,659
Rio Tinto Alcan	14,124	-	12,621	1,125	378
Jane Robertson Alnwick	505	574	500	-	579
Brian Roycroft	19,750	5,046	6,551	58	18,187
Sage Gateshead	11,462	586,413	588,278	-	9,597
Sammy Johnson Memorial	54,045	9,510	22,150	1,500	39,905
Share Family	1,296	2,564	5,000	(1,333)	193
Shears Grassroots	936	4,778	5,725	-	(11)
Smail Family	1,766	1,865	3,000	-	631
SMD	108	-	-	-	108
South Tyne Valley	53,653	39,648	476,948	(383,647)	-
Sponsors Club for Arts & Business	98,610	144,783	16,500	115,157	111,736
Sport Relief	1,866	-	-	-	1,866
Storey Family Grassroots	-	385	-	385	-
Sunderland Industrial & Reformatory School	908	1,073	350	-	1,631
Suz Grassroots	740	1,293	-	-	2,033
Taylor	22,004	17,411	16,536	-	22,879
Thornton Family Grassroots	1,456	3,356	-	-	4,812
Three Valleys	1,556	2,736	4,052	-	240
Three Valleys Grassroots	4,435	6,445	10,566	-	314
Tiny Lives	175,892	296,475	160,413	200,440	111,514
Treeline Grassroots	122	661	-	-	783
Trevelyan	1,606	-	1,000	-	606
Tyne & Wear High Sheriff Awards	9,214	23,377	26,400	3,429	2,762
Ted Weekes	5,762	6,651	4,879	-	7,534
Tyhume Valley	23,944	10,861	29,111	5,694	-
Tyne & Wear Grassroots	366	653	720	-	299
UK Land Estates	1	-	-	-	1
Vicky Grassroots	-	1,144	-	1,030	114
Winter Family Grassroots	19	6,374	-	-	6,393
CH Wood	3,398	4,252	4,500	-	3,150
Women's	8,140	30,317	22,802	5,921	9,734
Young Musician's	659	7,689	4,500	-	3,848
Total Community Foundation	12,216	49,776	31,802	5,921	23,539
Joseph Brough Charitable Trust	15,117	17,244	20,382	-	11,979
Tyne and Wear Foundation Trust	8,560	14,865	11,740	-	11,685
Tyne & Wear Foundation Ltd	(30)	-	-	-	(30)
Total Group	1,815,095	4,458,890	4,015,268	267,158	1,991,559

Community Foundation

serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

14 Income funds - restricted (continued)

Income and transfers include credits of £810,113 transferred from the endowment fund to distribute as income on a total returns basis. Other outgoings include transfers between funds of £(131,199), staff costs of £187,722, revenue balance transfer to Evening Chronicle Sunshine Fund of £80,214 and other fund expenses and fundraising event costs of £130,421. The Women's Fund includes income from People of Ward Hadaway in memory of Sue Watts fund and Brian Roycroft fund includes income from the Tessa Hide 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 2011 have received sufficient funds to return them to credit.

	At 1 April 2010	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2011
	£	£	£	£	£
Adderstone	7,355	10,451	12,000	-	5,806
Anonymous	48	-	-	-	48
Anonymous	686	2,771	2,000	-	1,457
Bank of England	-	1,000	-	-	1,000
Barnes	4,588	1,847	-	-	6,435
Peter & Angela Barratt	11,616	-	9,500	-	2,116
John Bell	5,804	29,358	35,500	-	(338)
Bellway	879	1,272	1,000	-	1,151
Benfield Motors	2,432	2,150	-	-	4,582
BNS Telecom	262	-	-	-	262
Bonas Machine Company	694	789	-	-	1,483
Ron and Louise Bowey	6,178	32,170	31,535	-	6,813
British Beer & Pub Association	4,527	5,337	9,000	-	864
The Muriel Campbell	-	742	-	-	742
Carr-Ellison Charitable Trust	1,748	21,791	20,845	500	2,194
CE Electric	2,458	7,938	5,041	-	5,355
Chrysalis	1,426	984	-	-	2,410
ContiTech Beattie	-	5,000	-	1,000	4,000
Roland Cookson	5,233	38,303	23,625	94	19,817
Croft Veterinary Hospital	7,500	60	3,500	-	4,060
Crozier	25,377	-	4,874	-	20,503
John D	1,283	28,205	13,975	2,820	12,693
Death of a Nightingale	1,834	-	-	1,834	-
Fogo	2,806	5,240	7,345	-	701
Gateshead Housing Company Community	91,582	10,000	65,783	-	35,799
George & Peggy	3,211	4,160	3,211	-	4,160
Michael & Christine Heppell	2,006	2,756	2,500	-	2,262
Hugonin Family	6,950	5,000	3,500	750	7,700
I'Anson Family	2,406	2,400	-	-	4,806
If only	-	209	-	-	209
Carried forward	150,188	29,765	82,339	750	55,637

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

15 Income funds - unrestricted (continued)

	At 1 April 2010 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2011 £
Brought forward	0	0	0	0	0
Keepmoat	-	8,334	7,084	1,250	-
John Laing	7,742	2,306	-	-	10,048
Langley Family	-	28	-	-	28
Abdul Latif, Lord of Harpole, Memorial	1,656	-	-	-	1,656
William Leech Charity	27,733	22,644	12,440	-	37,937
Leech Challenge	5,306	2,649	-	-	7,955
Linden Family	1,154	28,402	22,300	-	7,256
Helen McArdle	17,763	50,000	65,000	2,763	-
Maudslay Family	760	440	1,000	-	200
G S May Family	9,423	5,620	5,500	-	9,543
Middleton Community Enterprises	208	-	-	-	208
Muckle LLP	15,162	24,644	21,046	6,232	12,528
Newcastle Brown Ale	8,169	22,292	25,796	2,000	2,665
Northumbrian Water	-	4,322	4,322	-	-
PricewaterhouseCoopers	2,580	1,618	2,000	-	2,198
Prime	3,918	10,771	8,400	-	6,289
P&G	-	33,851	26,351	7,500	-
David & Susan Ratliff	501	-	501	-	-
Guy Readman	332	-	-	-	332
Ridley Family	739	73,333	52,088	5,500	16,484
Ringtons	12,923	21,447	29,132	-	5,238
Rolls-Royce	994	1,069	1,500	-	563
Joseph Rowntree Charitable Trust	26,691	11,964	2,968	-	35,687
St Cuthbert's	7,706	906	-	-	8,612
Sage Community	56,230	45,000	59,385	3,443	38,402
Johnnie & Tricia Smith	827	1,701	2,000	-	528
Social Capital	2,960	-	0	-	2,960
Specials Laboratory	7,760	11,000	10,260	6,000	2,500
Barry & Faga Speker	93	2,500	760	600	1,233
Shobha and Triloki Srivastava	-	200	-	200	-
Grassroots	-	200	-	200	-
Staff Giving	444	1,068	1,200	-	312
Star	8,022	8,550	12,700	1,000	2,872
Roy Stewart	212	359	-	-	571
Survive to Thrive	-	25,000	-	(175,000)	200,000
TESS	528	2,142	2,000	-	670
Treeline	594	2,019	1,900	-	713
Vaux	-	7,091	7,052	-	39
Ward Hadaway	5,057	368	550	1,300	3,575
Watkin Family	269	25,067	10,000	4,000	11,336
Watson Family	-	38,462	9,000	3,846	25,616
Willis Charitable	2,280	1,116	680	-	2,716
Winter Family	47	2,848	-	-	2,895
Carried forward	2,327	127,790	31,182	(122,368)	251,315

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

15 Income funds - unrestricted (continued)

	At 1 April 2010	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2011
	£	£	£	£	£
Brought forward	0	0	0	(122,368)	0
Nigel Wright Consultancy	355	22,000	9,399	2,000	10,956
Other general grant-making funds	282,043	115,995	22,254	98,813	276,971
Total designated funds	282,398	137,995	31,653	(21,555)	287,927
Administrative fund	575,780	718,371	-	793,331	500,820
Total Community Foundation	1,295,850	1,577,430	691,302	771,776	1,410,202
Total Group	1,295,850	1,577,430	691,302	771,776	1,410,202

Income and transfers include £457,936 transferred from the endowment fund to distribute as income on a total returns basis. Other outgoings and transfers consist of credits of £(167,159) transferred between funds, less £638,567 staff costs, £37,500 outreach & evaluation costs, £2,094 designated fund expenses and other administrative costs of £260,774.

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 38 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	2011 Total
	£	£	£	£
Investments	-	383,648	47,155,816	47,539,464
Tangible fixed assets	9,998	-	-	9,998
Current assets	1,580,418	2,821,723	291,279	4,693,420
Current liabilities	(180,214)	(1,215,164)	(19,564)	(1,414,942)
Total net assets	1,410,202	1,990,207	47,427,531	50,827,940

Community Foundation

serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

17 Financial commitments

At 31 March 2011 the group had annual commitments under non-cancellable operating leases as follows

	Land & buildings	Land & buildings
	2011	2010
	£	£
Expiry date		
Within one year	-	-
Within two to five years	69,470	-
Over five years	-	-
	69,470	-

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 £37,697 (2010 £45,967). Outstanding contributions at 31 March 2011 were £486 (2010 £414).

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 £6,572,236 (2010 £7,901,083) and its net incoming resources for the year were £406,514 (2010 £670,668).

The company made gains on investments of £2,483,827 (2010 £10,630,432). The company's net increase in funds was £2,890,341 (2010 £11,301,100).

Community Foundation

serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

19 Subsidiary company and charities (continued)

The Community Foundation owns the whole of the issued share capital of Tyne & Wear Foundation Limited, a company registered in England. The subsidiary is used to carry out larger fundraising events on behalf of the charity. The company was inactive during the year and therefore the amount gift aided to the Community Foundation was nil (2010 £32,589). A summary of results of the subsidiary company is shown below.

	Total 2011 £	Total 2010 £
Turnover	-	88,309
Cost of sales	-	(55,683)
Operating profit	-	32,626
Administrative costs	-	(37)
Net profit	-	32,589

The aggregate of the assets and liabilities was	Total 2011 £	Total 2010 £
Assets	70	49,311
Liabilities	-	(49,241)
Net assets	70	70

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

19 Subsidiary company and charities (continued)

The Community Foundation is sole trustee of The Joseph Brough Charitable Trust, a registered charity. All activities of the charity have been consolidated on a line by line basis in the SOFA. A summary of the results of The Joseph Brough Charitable Trust is shown below

	Total	Total
	2011	2010
	£	£
Investment income	22,244	27,505
Charitable expenditure	(25,382)	(27,529)
Investment management costs	(3,434)	(1,843)
Gains and losses on investments	91,049	321,744
Net movement in funds	84,477	319,877

The aggregate of the assets, liabilities and funds was

	Total	Total
	2011	2010
	£	£
Assets	1,308,539	1,224,062
Liabilities	(1,875)	(1,875)
Funds	1,306,664	1,222,187

Represented by

	Total	Total
	2011	2010
	£	£
Permanent endowment fund	1,294,685	1,207,070
Restricted funds	11,979	15,117
Funds	1,306,664	1,222,187

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

19 Subsidiary company and charities (continued)

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 2011 £	Total 2010 £
Investment income	17,246	16,852
Donations	85,102	-
Investment management costs	(2,805)	(2,173)
Charitable expenditure	(19,121)	(11,956)
Gains and losses on investments	21,831	115,389
Net movement in funds	102,253	118,112

The aggregate of the assets, liabilities and funds was

	Total 2011 £	Total 2010 £
Assets	569,465	467,212
Liabilities	-	-
Funds	569,465	467,212

Represented by

	Total 2011 £	Total 2010 £
Permanent endowment fund	557,780	458,652
Restricted funds	11,685	8,560
Funds	569,465	467,212

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 £112,915 to Community Foundation during the year, (2010 £411,647) 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 £26,937 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	960	-
Newcastle Society for the Blind	Lisa Charlton MBE	Trustee	7,000	-
HealthWORKS Newcastle	Chris Drinkwater CBE	Trustee	2,000	-
Sunderland BME Network	Dean T. Huggins	Employee	2,500	-
North Music Trust	Roger Kelly	Trustee	637,740	-
Brinkburn Music	Richard Maudslay CBE	Chairman	1,100	-
Gateshead Voluntary Organisation Council	Gev Pringle	Employee	-	5,000

The Community Foundation paid Wardhadaway, a firm in which Jamie Martin is a partner, £20,551 for legal advice and £85 for attendance at a seminar. It also paid Muckle LLP, a firm in which Hugh Welch is a partner, £70 for room hire costs and £20 for attendance at a seminar. Muckle LLP also provided pro bono work on behalf of the Community Foundation on a number of property matters during the year.

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

21 Cashflow information for the Group

Reconciliation of net cashflow to movement in net funds

	2011 £
Decrease in cash in period	(393,205)
Increase in short term deposits	480,578
Movement in net funds in the year	87,373
Net funds at 1 April 2010	4,555,005
Net funds at 31 March 2011	4,642,378

Analysis of net funds

	1 April 2010 £	Cashflow £	31 March 2011 £
Cash at bank and building society	1,725,066	(393,205)	1,331,861
Short term deposits	2,829,939	480,578	3,310,517
Net funds	4,555,005	87,373	4,642,378

22 Contingent liability

At the year end the Charity had made an agreement with a third party to provide match funding to another charity on the basis that they match a grant already made by the Community Foundation. If they do match the initial grant and then provide additional funding, the Community Foundation will make further matching grants up to an estimated £445,948. The third party has two years to make the initial match, as well as to provide any additional funding, and at this stage the Directors are unable to estimate any current liability as there is no certainty of the timing or values of payments that may be made by the third party. If match funding is not made within the two years no further grant, beyond the initial payment, will be made by the Charity.

23 Ultimate controlling party

The Directors do not consider that the Community Foundation (Charity) 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. Due to the structure of the Community Foundation (Charity) the group also does not have an ultimate controlling party.