

Community Foundation

serving Tyne & Wear and Northumberland

(A company limited by guarantee)

Directors' annual financial statements for the year ended 31 March 2012

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 financial statements for the year ended 31 March 2012

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Community Foundation

serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2012

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, also incorporating Community First Trust
- 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 but was inactive during the year
- 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 3 projects: Sponsors Club, Tiny Lives, 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 3 projects are accounted for under restricted funds.

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

Annual report for the year ended 31 March 2012 (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

CCLA Investment Management Limited
80 Cheapside
London
EC2V 6DZ

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

Annual report for the year ended 31 March 2012 (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 or chair sub-committees of the Board.

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, Board skills are kept under review 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, donor development 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

Annual report for the year ended 31 March 2012 (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 elected October 2008	(Hon, Dev)
Jamie Martin OBE – Deputy Chair from November 2011 co-opted October 2006, elected November 2010	(Hon, Dev, Audit)
Richard Maudslay CBE – Deputy Chair to November 2011 co-opted October 2003, retired November 2011	(Hon, Dev)
Chris Drinkwater CBE – Deputy Chair co-opted October 2006	(Hon, Phil)
Colin Seccombe - Treasurer elected October 2007	(Inv, Hon)
John Clough MBE co-opted November 2009, elected November 2010	(Inv)
Alastair Conn elected November 2009	(Inv)
Fiona Cruickshank OBE elected November 2011	(Dev)
Jo Curry co-opted October 2008, elected November 2010	(Phil)
Charles Harvey co-opted October 2008	(Phil, Audit)
Dean T. Huggins elected October 2008	(Phil, Audit)
Roger Kelly appointed November 2010 to represent statutory authorities, resigned March 2012	(Dev)
Gev Pringle co-opted 23 November 2009	(Phil, Aud)
Kate Roe appointed November 2010 to represent statutory authorities	(Aud, Inv)
Jane Robinson appointed March 2012 to represent statutory authorities	(Dev)
John Sands elected October 2005, retired November 2011	(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

Annual report for the year ended 31 March 2012 (continued)

Structure, governance and management (continued)

The following members of the Board served during the year but retired before the year end Richard Mausdsley, John Sands and Roger Kelly Members who will retire at the 2012 Annual General Meeting and are eligible for re-election are Alastair Conn, Betty Weallans and Sue Winfield

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 5 project staff

Community Foundation

serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2012 (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 initial 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 the most recent register dated March 2012 were

- Weak economic climate/stock market crash
- Failure to sell unrestricted/discretionary giving
- Adverse publicity
- Loss of donor confidence
- Loss of projects

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 to be the hub for community philanthropy in its area – inspiring and supporting giving that strengthens communities and enriches local life. To do this, the Community Foundation

- enables effective giving by people and business,
- supports organisations and individuals with money, time and expertise, and
- informs and influences issues affecting its communities

The Community Foundation adopted its latest 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 was reviewed and updated in June 2011 and June 2012. The plan has five strategic aims

1. to attract more donors and to increase the amount of discretionary and unrestricted funding for distribution,
2. to become a more effective, intelligent and strategic grant-maker,
3. to develop a stronger leadership role regionally, nationally and internationally,
4. to improve communications so our work and value is more widely and clearly understood,
5. to work efficiently and effectively and to develop the skills, confidence and capacity of our staff and Board

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.

Annual report for the year ended 31 March 2012 (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. 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

2011-12 covered the second year of the Community Foundation's current business plan. Achievements and performance against the strategic aims reviewed by the Board in June 2011 are set out below. More detailed descriptions of activities and their impact are included in the Community Foundation's yearbook.

To attract more donors and to increase the amount of discretionary and unrestricted funding for distribution

- £1.4m was added to the endowment during the year, and £2.7m was received in flow-through funding. 19 funds were established. Major new funds included the Enid Blyton Fund for Seven Stories and the Santander Social Enterprise Development Award.
- The Board approved a new gift acceptance policy and work began on updating agreements for funds and on a new menu of services and fee structure.
- The Board agreed to take part in the Government's Community First endowment match scheme and set up Community First funds for named donors and for areas.
- The Community Foundation launched localgiving.com in Tyne & Wear and Northumberland providing a resource for groups it has grant funded to receive online public donations.

To become a more effective, intelligent and strategic grant-maker

- The Community Foundation awarded 1,695 grants (2011: 1,603) totalling £4.6m (2011: £4.8m) during the year. The majority continued to be for amounts of under £5,000 and to provide practical support for small voluntary and community groups. The grants total includes a number of grant programmes run in partnership with statutory bodies and for The Henry Smith Charity as shown in the table below.

Programme	No of grants	Total awards
Community Foundation main funds	1,550	3,189,825
ESF Community Grants	21	194,404
Fair Share	9	339,667
Grassroots Grants	85	167,938
The Henry Smith Charity	30	658,700
Total grants awarded by the full Group	1,695	£4,550,534

- The Community Foundation launched a special fund, Survive to Thrive, aimed at helping organisations adapt to the changing public sector funding environment.
- There was a successful bid to lead a major programme of donor education and engagement across North East England and Cumbria in partnership with neighbouring community foundations.
- New priorities were approved by the Board to target support from its unrestricted funds and the Kellett Fund for work with older people was re-launched.
- The Community Foundation also provided grant-making services for 1989 Willan Charitable Trust, which awarded grants of £492,106 in this financial year. These grants are not included in the grants awarded figure above as the grants were made directly from that organisation.

Community Foundation

serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2012 (continued)

Achievements and performance (continued)

To develop a stronger leadership role regionally, nationally and internationally

- The Community Foundation continued to play a leading role in plans to develop a project called Vital Signs UK, a report setting out key issues in its area of benefit to inform donors and others
- Board and staff members contributed to local, regional and national discussions on key policy areas including charitable giving and philanthropy and the Government's 'Big Society' initiative
- The Community Foundation hosted the bi-annual national community foundations conference in Newcastle upon Tyne

To improve communications so our work and value is more clearly and widely understood

- Total added average value in press coverage of £93,000 was achieved, and successful media campaigns were run associated with major activities and projects, including the launch of localgiving.com
- The social media profile of the organisation increased
- Major events were held, including a visit by HRH Prince Andrew and HRH Princess Eugenie of York

To work efficiently and effectively and to develop the skills, confidence and capacity of our staff and Board

- Additional operational income targets were met and the aim of reducing the projected operating deficit to zero or surplus at the March 2013 year end was on track
- Staff costs were reduced but grant-making levels were maintained
- Work was undertaken to improve management systems and reporting
- In addition to regular management and Board meetings, a joint staff and Board away day was held
- Funds were secured post year end from the Art Council England for a new programme to be led by a restructured Sponsors Club Team and work began to establish Tiny Lives as an independent charity

Financial review

Net assets at 31 March 2012 were £49.9m (2011 £50.8m) £46.9m of the assets related to endowment funds (2011 £47.4m). The total unrealised and realised losses on investments amounted to £0.5m (2011 £2.6m gain). There were new donations to the endowment funds during the year of £1.3m (2011 £1.9m), and fees and transfers out of endowment of £1.1m (2011 £1.6m). 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. CCLA manages the funds donated to the Community First Trust as required by the match funding agreement. 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 1.1%. The Board was satisfied with performance on the funds and both managers of the main fund outperformed the benchmark resulting in an average return of 2%.

Incoming resources for the year totalled £5.4m (2011 £6.7m). Grants from public bodies fell by £1.4m due to the Grassroots grants schemes and Grassroots match coming to an end. The main sources of income were new donations, grants from public bodies and investment income. The main resources expended were for charitable grants of £4.5m net (2011 £4.7m).

Fundraising events within the charity represent events held to raise funds for Tiny Lives.

Community Foundation

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Annual report for the year ended 31 March 2012 (continued)

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 2012 of £1,366,916 includes £886,952 set aside for designated funds which are solely for future grant-making, and the balance of £479,964 as a general reserve available to meet future administration and development expenditure. The Board agreed a new reserves policy in November 2011, designating £100,000 of the general reserves to cover potential premises move costs in 2015 and to support development costs, and then set a maximum level of reserves to allow the Community Foundation to operate for up to 12 months if income streams were significantly impacted by market conditions. The policy will be reviewed annually. At the year end, the reserve level was within the levels set by the policy.

Plans for future periods

The Board reviewed the business plan in June 2012 taking account of external drivers and the internal operating context. The overall priorities for the 2012-13 year will be:

- To complete work on a new menu of products, services and fees designed to meet the wishes of existing and potential donors and to better support the Community Foundation's operational costs
- To secure donor contributions against the match available through the Community First scheme
- To engage donors in the philanthropy fellowship programme being run in partnership with the community foundations in County Durham, Tees Valley and Cumbria
- To publish, as part of the UK pilot initiative, Vital Signs reports for Tyne & Wear and Northumberland
- To secure donor support for the new Fund for the Arts
- To investigate options for the Community Foundation's future premises and ICT requirements

In spring 2013, the staff and Board will begin work on a new business plan to be adopted for the period from June 2013 onwards.

Community Foundation
serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2012 (continued)

Statement of trustees' responsibilities

The trustees (who are also directors of Community Foundation serving Tyne & Wear and Northumberland for the purposes of company law) are responsible for preparing the Trustees' Annual 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 trustees 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/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 judgments 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 trustees 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.

In so far as the trustees are aware

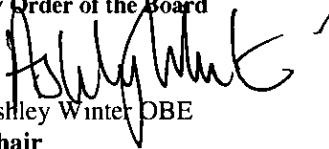
- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The trustees 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

Independent Auditors' report to the Members and Trustees of Community Foundation serving Tyne & Wear and Northumberland

We have audited the financial statements of Community Foundation serving Tyne & Wear and Northumberland for the year ended 31 March 2012 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 trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the trustees (who are also the directors 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.

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 trustees 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 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.

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 2012, and of the group's incoming resources and application of resources, including its income and expenditure and group's 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.

Community Foundation
serving Tyne & Wear and Northumberland

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 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent charitable company 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



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

Date 26 September 2012

Community Foundation
serving Tyne & Wear and Northumberland

**Consolidated statement of financial activities
for the year ended 31 March 2012**

	Note	Unrestricted funds	Restricted funds	Endowment funds	Total 2012	Total 2011
		£	£	£	£	£
Incoming resources						
Incoming resources from generated funds						
Voluntary income						
Donations		616,492	1,556,592	1,163,656	3,336,740	3,443,753
Grants from public bodies		47,849	411,890	133,262	593,001	1,963,752
Activities for generating funds						
Fundraising events		-	52,760	-	52,760	78,820
Investment income	1	504,304	864,389	-	1,368,693	1,177,131
Other incoming resources		18,910	-	-	18,910	20,991
Total incoming resources		1,187,555	2,885,631	1,296,918	5,370,104	6,684,447
Resources expended						
Costs of generating funds						
Costs of generating donations	3	195,845	100,364	-	296,209	352,050
Costs of fundraising events	4	6,630	44,339	-	50,969	70,799
Investment managers' fees		-	-	165,822	165,822	160,221
Charitable activities	5	1,371,489	3,712,326	-	5,083,815	5,491,488
Governance costs	6	87,272	5,932	-	93,204	108,534
Other resources expended		18,910	-	-	18,910	20,991
Total resources expended		1,680,146	3,862,961	165,822	5,708,929	6,204,083
Net (outgoing)/incoming resources before transfers		(492,591)	(977,330)	1,131,096	(338,825)	480,364
Gross transfers between funds	13-15	449,305	636,167	(1,085,472)	-	-
Net (outgoing)/incoming resources before taxation		(43,286)	(341,163)	45,624	(338,825)	480,364

Community Foundation
serving Tyne & Wear and Northumberland

**Consolidated statement of financial activities
for the year ended 31 March 2012 (continued)**

	Note	Unrestricted funds	Restricted funds	Endowment funds	Total 2012	Total 2011
		£	£	£	£	£
Net (outgoing)/incoming resources before taxation		(43,286)	(341,163)	45,624	(338,825)	480,364
Taxation	12	-	-	-	-	-
Net (outgoing)/incoming resources before other recognised gains/losses		(43,286)	(341,163)	45,624	(338,825)	480,364
Gains & losses on investment assets	8	-	-	(547,578)	(547,578)	2,596,707
Net movement in funds		(43,286)	(341,163)	(501,954)	(886,403)	3,077,071
Fund balances brought forward at 1 April 2011		1,410,202	1,991,559	47,427,531	50,829,292	47,752,221
Fund balances carried forward at 31 March 2012		1,366,916	1,650,396	46,925,577	49,942,889	50,829,292

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 2012**

	Note	2012	2011
		£	£
Income - continuing operations			
Donations		2,173,084	2,207,364
Grants from public bodies		459,739	1,283,965
Fundraising events		52,760	78,820
Investment income		1,368,693	1,177,131
Other income		18,910	20,991
		4,073,186	4,768,271
Expenditure - continuing operations			
Grants	5	4,509,128	4,706,570
Staff costs	7	665,984	826,289
Other costs		367,995	511,003
		5,543,107	6,043,862
Net deficit for the year before transfers, investment asset disposals and taxation		(1,469,921)	(1,275,591)
Transfer from endowment fund		1,085,472	1,566,407
Taxation	12	-	-
Net (deficit)/surplus for the year		(384,449)	290,816

The total income of £4,073,186 comprises £1,187,555 for unrestricted funds and £2,885,631 for restricted funds as shown in the statement of financial activities. The total expenditure of £5,543,107 comprises £1,680,146 for unrestricted funds and £3,862,961 for restricted funds as shown in the statement of financial activities.

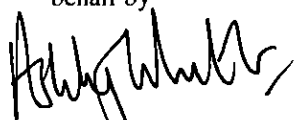
Community Foundation
serving Tyne & Wear and Northumberland

Balance sheets as at 31 March 2012

Registered company number 2273708

	Note	Group 2012 £	Group 2011 £	Charity 2012 £	Charity 2011 £
Fixed assets					
Endowment fund investments	8	46,714,984	47,539,464	44,856,773	45,720,498
Investments	8	-	-	100	100
Tangible assets	9	23,609	9,998	23,609	9,998
		46,738,593	47,549,462	44,880,482	45,730,596
Current assets					
Debtors	10	65,595	52,394	59,179	50,982
Cash on short term deposit		1,009,500	3,310,517	1,009,500	3,310,517
Cash at bank and building society		3,256,784	1,331,861	3,160,137	1,274,194
Total current assets		4,331,879	4,694,772	4,228,816	4,635,693
Creditors: amounts falling due within one year	11	(1,127,583)	(1,414,942)	(1,126,913)	(1,413,096)
Net current assets		3,204,296	3,279,830	3,101,903	3,222,597
Total assets less current liabilities		49,942,889	50,829,292	47,982,385	48,953,193
Capital funds					
Endowment fund	13	46,925,577	47,427,531	44,994,291	45,575,066
Income funds					
Restricted	14	1,650,396	1,991,559	1,621,178	1,967,925
Unrestricted	15	1,366,916	1,410,202	1,366,916	1,410,202
		49,942,889	50,829,292	47,982,385	48,953,193

The accounts on pages 13 to 40 were approved by the Board on 25 September 2012 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 2012

	Note	Group 2012 £	Group 2011 £
Net (outgoing)/incoming resources before revaluations and taxation		(338,825)	480,364
Investment income		(1,308,683)	(1,116,361)
Interest receivable		(60,010)	(60,770)
Receipts of endowment funds		(1,296,918)	(1,916,176)
Depreciation		7,971	7,973
Loss on disposal of fixed assets		1,452	-
(Increase)/decrease in debtors		(13,201)	12,227
(Decrease)/increase in creditors		(287,359)	72,356
Net cash outflow from operating activities		(3,295,573)	(2,520,387)
Returns on investments and servicing of finance			
Investment income		1,308,683	1,116,361
Interest receivable		60,010	60,770
		1,368,693	1,177,131
Taxation			
Tax paid		-	-
Capital expenditure and financial investment			
Payments to acquire fixed assets		(23,034)	(2,552)
Purchase of investments		(12,113,529)	(15,007,911)
Proceeds from sale of investments		12,390,431	14,524,916
		253,868	(485,547)
Management of liquid resources			
Decrease/(Increase) in short term deposits	21	2,301,017	(480,578)
Financing			
Receipts of Endowment Funds		1,296,918	1,916,176
Increase/(decrease) in cash in year	21	1,924,923	(393,205)

Community Foundation

serving Tyne & Wear and Northumberland

Accounting policies

a) Basis of preparation

The accounts have been prepared on a going concern basis 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, the Companies Act 2006 and the Charities Act 2011

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 using consistently applied accounting policies

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 £1,141,929 (2011 £1,268,049) in excess of investment income, was transferred from the endowment fund to restricted (£729,379) and unrestricted (£412,550) 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

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.

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts
for the year ended 31 March 2012

1 Investment income

	2012	2011
	£	£
Dividends & interest from endowment fund assets	1,308,683	1,116,361
Interest receivable on cash deposits	60,010	60,770
	1,368,693	1,177,131

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 2012 £	Total 2011 £
Staff costs	42,502	3,553	92,189	9,870	148,114	173,147
Overhead costs	53,376	3,076	113,533	16,985	186,970	181,117
	95,878	6,629	205,722	26,855	335,084	354,264
Included in overhead costs are the following					2012	2011
					£	£
Operating lease rentals - land and buildings					69,470	59,200
Loss on disposal of fixed assets					1,452	-
Depreciation					7,971	7,973

3 Costs of generating donations

	2012	2011
	£	£
Staff costs	147,622	201,530
Direct costs	52,709	45,123
Support costs	95,878	105,397
	296,209	352,050

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

4 Costs of fundraising events

	2012 £	2011 £
Staff costs	7,405	17,534
Direct costs	36,935	42,580
Support costs	6,629	10,685
	50,969	70,799

5 Charitable activities

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

	2012 £	2011 £
Grants payable	4,509,128	4,706,570
Staff costs	312,212	383,192
Outreach & evaluation costs	-	37,500
Direct costs	56,753	148,000
Support costs	205,722	216,226
	5,083,815	5,491,488

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

	2012 £	2012 Number	2011 £	2011 Number
Grants approved for payment				
Other charities & voluntary organisations	4,437,072	1,461	4,655,639	1,389
Individuals	113,462	234	109,839	214
Total new grants awarded in the year	4,550,534	1,695	4,765,478	1,603
Grants cancelled	(41,406)		(58,908)	
Total grant expenditure	4,509,128	1,695	4,706,570	1,603

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

	2012	2011
	£	£
Staff costs	50,631	50,886
Auditors' remuneration		
- Audit services	7,800	7,500
Legal & professional	3,510	22,059
Direct costs	4,408	6,133
Support costs	26,855	21,956
	93,204	108,534

7 Staff costs

Staff costs comprise the following	2012	2011
	£	£
Salaries	580,879	718,754
Social security costs	57,126	69,838
Other pension costs	27,979	37,697
	665,984	826,289

The average number of employees, excluding Company Directors, employed by the Group during the year was 22 (2011 27). At the year end the ratio of the highest paid employee to the lowest paid employee was 4 : 1.

None of the Directors received any remuneration during the year (2011 Nil). None of the Directors received reimbursements for expenses during the year (2011 Nil).

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

	2012	2011
	Number	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 2011	45,492,248	1,687,923	359,293	47,539,464
Additions in the year	11,870,728	242,801	-	12,113,529
Disposals in the year	(12,390,431)	-	-	(12,390,431)
Realised losses in the year	(410,871)	-	-	(410,871)
Unrealised losses in the year	(136,707)	-	-	(136,707)
At 31 March 2012	44,424,967	1,930,724	359,293	46,714,984
At cost				
At 31 March 2012	38,125,609	1,930,724	273,001	40,329,334
At 31 March 2011	37,841,598	1,687,923	273,001	39,802,522

	2012 Market Value £	2011 Market Value £
Listed investments are detailed as follows		
UK Fixed Interest	4,427,833	4,629,788
UK Equities	20,640,098	21,158,690
Property	1,067,277	1,046,755
Overseas Fixed Interest	2,124,349	1,895,041
Overseas Equities	14,307,456	15,174,298
Other	1,857,954	1,587,676
	44,424,967	45,492,248

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 2011	43,673,282	1,687,923	359,293	45,720,498
Additions in the year	11,144,927	242,801	-	11,387,728
Disposals in the year	(11,728,626)	-	-	(11,728,626)
Realised losses in the year	(413,367)	-	-	(413,367)
Unrealised losses in the year	(109,460)	-	-	(109,460)
At 31 March 2012	42,566,756	1,930,724	359,293	44,856,773

At cost

At 31 March 2012	36,365,752	1,930,724	273,001	38,569,477
At 31 March 2011	36,250,464	1,687,923	273,001	38,211,388

Other investments - Charity

At cost & valuation	Unlisted investments £
At 1 April 2011	100
At 31 March 2012	100

	2012 Market Value £	2011 Market Value £
Listed investments are detailed as follows		
UK Fixed Interest	4,077,302	4,243,781
UK Equities	19,855,656	20,392,148
Property	1,042,302	1,020,044
Overseas Fixed Interest	2,062,914	1,837,254
Overseas Equities	13,688,766	14,596,022
Other	1,839,816	1,584,033
	42,566,756	43,673,282

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

8 Investments (continued)

Unlisted investments held by the charity relate to £100 (2011 £100) investment in the subsidiary company Tyne & Wear Foundation Limited at cost. At 31 March 2012, 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 £748,212 for the full group (2011 £1,754,657).

9 Tangible fixed assets

Group and Charity

	Furniture & equipment £	Office improvements £	Total £
Cost			
At 1 April 2011	83,360	20,269	103,629
Additions	23,034	-	23,034
Disposals	(20,495)	-	(20,495)
At 31 March 2012	85,899	20,269	106,168
Depreciation			
At 1 April 2011	73,362	20,269	93,631
Charge for the year	7,971	-	7,971
Disposals	(19,043)	-	(19,043)
At 31 March 2012	62,290	20,269	82,559
Net book value			
At 31 March 2012	23,609	-	23,609
At 31 March 2011	9,998	-	9,998

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

10 Debtors

	Group 2012 £	Group 2011 £	Charity 2012 £	Charity 2011 £
Sundry debtors	5,191	2,992	5,191	2,992
Dividends and interest receivable	42,920	49,402	36,504	47,990
Prepayments	17,484	-	17,484	-
	65,595	52,394	59,179	50,982

11 Creditors: amounts falling due within one year

	Group 2012 £	Group 2011 £	Charity 2012 £	Charity 2011 £
Sundry creditors and accruals	92,477	101,546	92,477	101,546
Grants payable	1,029,606	1,308,268	1,028,906	1,306,393
Amounts due to subsidiary undertaking	-	-	30	29
Deferred income	5,500	5,128	5,500	5,128
	1,127,583	1,414,942	1,126,913	1,413,096

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.

	2012 £	2011 £
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. Community First Trust, Joseph Brough Charitable Trust and Tyne and Wear Foundation Trust all hold permanently endowed funds.

	Group	Charity
	£	£
At 1 April 2011	47,427,531	45,575,066
Transfers between funds		
Total returns endowment withdrawal	(1,141,929)	(1,141,929)
Transfers to endowment from income funds	124,096	124,096
Exceptional withdrawal from endowment funds	(67,639)	(67,639)
Net incoming resources before transfers	1,131,096	1,027,524
Gains & losses on investment assets	(547,578)	(522,827)
At 31 March 2012	46,925,577	44,994,291
Permanently endowed funds included above:		
Community First Trust	266,524	266,524
Joseph Brough Charitable Trust	1,279,435	-
Tyne and Wear Foundation Trust	651,851	-
Total permanently endowed funds at 31 March 2012	2,197,810	266,524

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 £1,141,929 and is shown as a transfer from the endowment fund. A withdrawal of £60,000 was made from the CNL Young People's Fund and £7,639 from the Newcastle Building Society Community 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 2012 have received sufficient funds to return them to credit.

	At 1 April 2011 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2012 £
The 43	71,122	-	40,697	2,234	28,191
Frank Acfield	2,027	814	-	-	2,841
Active at 60 South Tyneside	12,748	(282)	12,466	-	-
Active at 60 Sunderland	13,542	-	13,542	-	-
Akzo Nobel International Paint	13,121	17,886	17,434	1,300	12,273
Amec Offshore	8,956	6,117	9,000	-	6,073
Anonymous	194	-	194	-	-
Arts	30,300	50	-	1,732	28,618
Asian	2,847	4,843	4,500	-	3,190
Asylum Seekers' Hardship	3,040	-	-	-	3,040
Nancy Barbour Award	7,406	4,900	5,000	-	7,306
Barnes Grassroots	3,589	2,677	3,607	-	2,659
Sir Jeremy Beecham	34	1,275	2,450	-	(1,141)
Barbara & Chris Beith	331	204	175	-	360
Bellingham	120	2,262	1,899	-	483
Berwick Academy	3,137	8,531	8,575	-	3,093
Bird Family	208	936	875	-	269
Enid Blyton Fund for Seven Stories	-	31,752	31,752	-	-
Ron & Louise Bowey Grassroots	4,870	8,025	1,780	-	11,115
Canford Audio	708	338	-	-	1,046
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	-	21,118	19,716	-	1,402
CNL Young People's	(10,916)	12,996	31,262	(60,000)	30,818
Comic Relief	41,303	14,962	50,000	748	5,517
Comic Relief Community Cash	-	55,300	-	5,300	50,000
Comic Relief Local	-	-	-	-	-
Communities	-	55,134	47,233	5,239	2,662
Comic Relief Large Grant	-	15,750	15,000	750	-
Community Ventures	24,913	-	1,000	105	23,808
Sir Tom Cowie	9,999	60,001	43,575	25,000	1,425
John D Grassroots	2,072	8,490	6,016	-	4,546
Duncan & Sarah Davidson	662	2,556	2,550	-	668
Dicksons'	1,792	-	1,750	-	42
David Dockray's West End Young People's	5,299	38,121	36,048	-	7,372
Durham	543	2,052	2,095	-	500
Carried forward	260,768	376,808	410,191	(17,592)	244,977

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

14 Income funds - restricted (continued)

	At 1 April 2011	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2012
	£	£	£	£	£
Brought forward	260,768	376,808	410,191	(17,592)	244,977
Eaga Community	20,765	-	20,764	-	1
Robbie Elliot	-	333	-	-	333
ESF Community Grants	-	107,129	194,404	-	(87,275)
Evangelical	5,349	7,098	9,000	-	3,447
Evening Chronicle Sunshine	-	5,634	5,608	-	26
Express Enterprise	2,384	945	-	-	3,329
Fair Share - Blyth	(42,155)	104,220	101,344	7	(39,286)
Fair Share - Wansbeck	(73,812)	200,541	199,993	7	(73,271)
FARNE	11,516	20,209	2,000	-	29,725
Fergusons of Blyth	4,874	5,481	5,900	-	4,455
Fogo Grassroots	16,100	15,191	8,154	-	23,137
David Goldman Awards	442	24,300	24,324	-	418
Grassroots Gateshead	2,132	(3,799)	(1,667)	-	-
Grassroots Newcastle	60,543	(4,372)	56,167	-	4
Grassroots Northumberland	61,883	(878)	61,005	-	-
Grassroots North Tyneside	52,764	(1,959)	50,788	-	17
Grassroots Sunderland	970	(970)	-	-	-
Grassroots South Tyneside	1,435	(1,435)	-	-	-
Allison Greenlees Continuation	1,707	5,037	4,500	1,000	1,244
Green Scheme	1,149	595	1,512	119	113
Grounds Family	369	106	449	-	26
Jackie Haq Fund for Scotswood	531	1,259	300	-	1,490
Henry Smith Charity	297,500	636,900	658,700	-	275,700
Heyman Scholarships	8,370	4,164	-	1,142	11,392
Joy Higginson	3,804	1,239	645	-	4,398
High Sheriff of Northumberland	14,090	31,213	26,550	8,886	9,867
Homeless Young People	5,129	2,985	-	-	8,114
Hospital Visits	2,462	-	500	-	1,962
Hoult Family Grassroots Acorn	-	1,260	-	350	910
If only Grassroots	467	907	-	-	1,374
Josephs Family	500	2,000	2,000	-	500
JPMorgan	3,936	1,956	-	-	5,892
Pam Katirai Memorial	196	-	-	-	196
Kellett	84,330	301,223	172,664	-	212,889
Kerry Grassroots	3,705	2,680	3,500	-	2,885
Lady Grey Memorial	383	122	-	-	505
Latterford	416	420	500	-	336
Local Environmental Action	27,954	158,767	175,245	(1,614)	13,090
Localgiving com	16	37,487	35,153	1,704	646
Lyndhurst	111	-	-	111	-
George Loggie	4,677	1,019	-500	-	6,196
Maudslay Family Grassroots	448	1,158	815	-	791
Alan Morse Grassroots	-	7	-	-	7
Muckle LLP Grassroots	4,873	6,071	8,534	-	2,410
NEA Silver Jubilee	1,100	-	-	1,100	-
NEF Grassroots	2,161	1,435	1,625	-	1,971
Northern Angel	15,416	30,628	35,986	3,977	6,081
North Tyneside	-	1,176	1,141	-	35
North Tyneside Women's Aid	45,000	-	5,000	-	40,000
Northumberland Group	59,474	27,772	36,457	-	50,789
Carried forward	976,232	2,114,062	2,319,251	(803)	771,846

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

14 Income funds - restricted (continued)

	At 1 April 2011	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2012
	£	£	£	£	£
Brought forward	976,232	2,114,062	2,319,251	(803)	771,846
Out & About	200,099	3,240	10,800	101,000	91,539
P&G Grassroots	289	3,414	4,537	-	(834)
Patch	14,676	12,779	11,200	-	16,255
Percy Family	5,054	3,865	6,800	-	2,119
Play your part	2,300	20,150	-	-	22,450
Port of Tyne	16,009	30,000	45,431	1,500	(922)
Prime Grassroots	10,419	13,673	20,169	-	3,923
Owen Pugh	-	16,500	15,000	1,500	-
Queen's Diamond Jubilee Fund for Tyne & Wear	-	39,010	1,680	(1,900)	39,230
Readman Family Grassroots	2,176	48,082	47,407	-	2,851
Readman Foundation	365,232	7,803	11,564	34,197	327,274
Carrie Reay	107	-	-	-	107
Carrie Reay Grassroots	1,395	3,158	2,100	-	2,453
Reeds Grassroots	7,462	10,486	4,644	-	13,304
Riding Grange Grassroots	4,659	2,700	1,198	-	6,161
Rio Tinto Alcan	378	12,000	11,200	900	278
Jane Robertson Alnwick	579	581	580	-	580
Brian Roycroft	18,187	4,659	10,426	-	12,420
Sage Gateshead	9,597	583,533	583,972	-	9,158
Sammy Johnson Memorial	39,905	9,494	33,760	1,141	14,498
Santander SEDA	-	103,425	95,000	8,425	-
Share Family	193	-	-	2	191
Shears Grassroots	(11)	5,337	2,860	-	2,466
Smail Family	631	1,887	-	-	2,518
SMD	108	773	-	-	881
South Tyne Valley	-	21,163	-	-	21,163
Sponsors Club	111,736	50,331	(2,000)	94,981	69,086
Sport Relief	1,866	-	(3,750)	-	5,616
Sunderland Industrial & Reformatory School	1,631	1,076	1,308	-	1,399
Surviving Winter	-	20,848	15,727	577	4,544
Surviving Winter SAGA	-	4,601	-	-	4,601
Suz Grassroots	2,033	1,424	1,625	-	1,832
Taylor	22,879	17,290	31,342	-	8,827
Thornton Family Grassroots	4,812	3,331	500	-	7,643
Three Valleys	240	1,768	2,000	-	8
Three Valleys Grassroots	314	6,401	6,310	-	405
Tiny Lives	111,514	299,872	176,285	118,027	117,074
Treeline Grassroots	783	657	-	-	1,440
Trevelyan	606	-	600	-	6
Tyne & Wear High Sheriff Awards	2,762	25,961	25,050	2,762	911
Ted Weekes	7,534	6,734	7,364	-	6,904
Tyne & Wear Grassroots	299	648	944	-	3
UK Land Estates	1	7,500	-	-	7,501
Vicky Grassroots	114	1,362	-	-	1,476
Winter Family Grassroots	6,393	6,328	9,355	-	3,366
CH Wood	3,150	4,220	4,500	-	2,870
Women's	9,734	34,668	27,122	5,600	11,680
Carried forward	1,964,077	3,566,794	3,543,861	367,909	1,619,101

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

14 Income funds -restricted (continued)

	At 1 April 2011	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2012
	£	£	£	£	£
Brought forward	1,964,077	3,566,794	3,543,861	367,909	1,619,101
Young Musician's	3,848	5,360	7,131	-	2,077
Total Community Foundation	1,967,925	3,572,154	3,550,992	367,909	1,621,178
Joseph Brough Charitable Trust	11,979	28,623	26,090	30	14,482
Tyne and Wear Foundation Trust	11,685	14,233	11,152	-	14,766
Tyne & Wear Foundation Ltd	(30)	-	-	-	(30)
Total Group	1,991,559	3,615,010	3,588,234	367,939	1,650,396

Income and transfers include credits of £729,379 transferred from the endowment fund to distribute as income on a total returns basis. Other outgoings include transfers between funds of £93,212, staff costs of £166,492 and other fund expenses and fundraising event costs of £108,235. 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 2012 have received sufficient funds to return them to credit.

	At 1 April 2011	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2012
	£	£	£	£	£
Adderstone	5,806	10,377	10,767	-	5,416
Anonymous	48	-	-	-	48
Anonymous	1,457	2,752	1,500	-	2,709
Anonymous M	-	45,000	14,250	2,250	28,500
Bank of England	1,000	-	-	-	1,000
Barnes	6,435	1,833	3,500	-	4,768
Peter & Angela Barratt	2,116	-	2,000	-	116
John Bell	(338)	29,730	29,000	-	392
Bellway	1,151	1,288	1,100	-	1,339
Benfield Motors	4,582	2,176	-	-	6,758
BNS Telecom	262	-	100	-	162
Bonas Machine Company	1,483	799	1,000	-	1,282
Ron and Louise Bowey	6,813	32,040	12,267	-	26,586
British Beer & Pub Association	864	5,299	4,000	-	2,163
The Muriel Campbell	742	1,008	-	-	1,750
Carr-Ellison Charitable Trust	2,194	21,264	21,035	500	1,923
CE Electric	5,355	8,039	11,967	-	1,427
Chrysalis	2,410	977	3,130	-	257
ContiTech Beattie	4,000	-	3,921	79	-
Carried forward	46,380	162,582	119,537	2,829	86,596

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

15 Income funds - unrestricted (continued)

	At 1 April 2011 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2012 £
Brought forward	46,380	162,582	119,537	2,829	86,596
Roland Cookson	19,817	38,786	43,070	1,997	13,536
Croft Veterinary Hospital	4,060	-	4,060	-	-
Crozier	20,503	-	14,963	-	5,540
John D	12,693	13,750	12,692	1,375	12,376
Death of a Nightingale	-	1,607	-	16	1591
Dulverton	-	90,000	115,557	9,000	(34,557)
Fogo	701	5,100	(1,200)	-	7,001
Gateshead Housing Company					
Community	35,799	39,500	50,429	9,500	15,370
George & Peggy	4,160	4,047	5,226	-	2,981
Michael & Christine Heppell	2,262	2,687	1,500	-	3,449
Hugonin Family	7,700	2,500	6,500	250	3,450
I' Anson Family	4,806	2,382	6,500	-	688
If only	209	407	-	-	616
John Laing	10,048	2,338	-	-	12,386
Langley Family	28	(28)	-	-	-
Abdul Latif, Lord of Harpole, Memorial	1,656	-	-	-	1,656
William Leech Charity	37,937	19,726	22,970	10,000	24,693
Leech Challenge	7,955	2,776	8,320	-	2,411
Linden Family	7,256	32,946	37,663	-	2,539
Lily Matthews	-	100,000	-	-	100,000
David Mattu	-	1,250	-	-	1,250
Maudslay Family	200	445	643	-	2
G S May Family	9,543	5,561	10,000	-	5,104
Middleton Community					
Enterprises	208	-	-	-	208
Muckle LLP	12,528	30,271	32,190	2,263	8,346
Newcastle Brown Ale	2,665	22,321	22,975	2,000	11
Newcastle Building Society					
Community	-	5,339	10,000	(7,339)	2,678
Emma Newton	-	19,925	750	17,027	2,148
North 150	-	10,000	9,000	1,000	-
Northumbrian Water	-	5,008	4,984	-	24
PricewaterhouseCoopers	2,198	1,609	-	-	3,807
Prime	6,289	10,695	10,112	-	6,872
P&G	-	34,185	25,709	7,500	976
Guy Readman	332	-	-	-	332
Ridley Family	16,484	58,000	45,998	4,350	24,136
Ringtons	5,238	21,717	18,539	500	7,916
Rolls-Royce	563	1,082	1,000	-	645
Joseph Rowntree Charitable Trust	35,687	11,647	6,926	-	40,408
St Cuthbert's	8,612	917	-	-	9,529
Sage Community	38,402	45,000	49,116	7,250	27,036
Johnnie & Tricia Smith	528	1,722	-	-	2,250
Social Capital	2,960	-	-	2,960	-
Specials Laboratory	2,500	11,000	10,000	1,000	2,500
Barry & Faga Speker	1,233	-	300	150	783
Carried forward	370,140	818,800	706,029	73,628	409,283

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

15 Income funds - unrestricted (continued)

	At 1 April 2011	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2012
	£	£	£	£	£
Brought forward	370,140	818,800	706,029	73,628	409,283
Staff Giving	312	-	312	-	-
Star	2,872	8,489	4,990	2,000	4,371
Roy Stewart	571	356	-	-	927
Survive to Thrive	200,000	10,286	137,550	(57,422)	130,158
TESS	670	2,128	1,000	-	1,798
Treeline	713	2,347	2,000	-	1,060
Vaux	39	7,042	5,888	-	1,193
Ward Hadaway	3,575	1,467	1,150	-	3,892
Watkin Family	11,336	24,890	26,732	-	9,494
Watson Family	25,616	-	15,390	-	10,226
Willis Charitable	2,716	760	2,277	-	1,199
Winter Family	2,895	3,427	3,722	-	2,600
Nigel Wright Consultancy	10,956	11,000	10,956	-	11,000
Other general grant-making funds	276,971	113,906	2,898	88,228	299,751
Total designated funds	909,382	1,004,898	920,894	106,434	886,952
Administrative fund	500,820	595,207	-	616,063	479,964
Total Community Foundation	1,410,202	1,600,105	920,894	722,497	1,366,916
Total Group	1,410,202	1,600,105	920,894	722,497	1,366,916

Income and transfers include £412,550 transferred from the endowment fund to distribute as income on a total returns basis. Other outgoings and transfers consist of credits of £36,755 transferred between funds, less £499,492 staff costs, £5,117 designated fund expenses and other administrative costs of £254,643.

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 32 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	2012 Total
	£	£	£	£
Investments	-	-	46,714,984	46,714,984
Tangible fixed assets	23,609	-	-	23,609
Current assets	1,479,307	2,635,891	216,681	4,331,879
Current liabilities	(136,000)	(985,495)	(6,088)	(1,127,583)
Total net assets	1,366,916	1,650,396	46,925,577	49,942,889

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the accounts (continued)

17 Financial commitments

At 31 March 2012 the group had annual commitments under non-cancellable operating leases as follows

	Land & buildings	Land & buildings
	2012	2011
	£	£
Expiry date		
Within one year	-	-
Within two to five years	69,470	69,470
Over five years	-	-
	69,470	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 £27,979 (2011 £37,697). Outstanding contributions at 31 March 2012 were £454 (2011 £486).

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 £5,219,753 (2011 £6,572,236) and its net outgoing resources for the year were £447,981 (2011 £406,514 incoming).

The company made losses on investments of £522,827 (2011 gain £2,483,827). The company's net decrease in funds was £970,808 (2011 £2,890,341 increase).

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 (2011 inactive). A summary of results of the subsidiary company is shown below.

	Total 2012 £	Total 2011 £
Turnover	-	-
Cost of sales	-	-
Operating profit	-	-
Administrative costs	-	-
Net profit	-	-

The aggregate of the assets and liabilities was	Total 2012 £	Total 2011 £
Assets	70	70
Liabilities	-	-
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
	2012	2011
	£	£
Investment income	33,623	22,244
Charitable expenditure	(31,120)	(25,382)
Investment management costs	(818)	(3,434)
Gains and losses on investments	(14,432)	91,049
Net movement in funds	(12,747)	84,477

The aggregate of the assets, liabilities and funds was

	Total	Total
	2012	2011
	£	£
Assets	1,293,917	1,308,539
Liabilities	-	(1,875)
Funds	1,293,917	1,306,664

Represented by

	Total	Total
	2012	2011
	£	£
Permanent endowment fund	1,279,435	1,294,685
Restricted funds	14,482	11,979
Funds	1,293,917	1,306,664

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 2012 £	Total 2011 £
Investment income	21,042	17,246
Donations	107,495	85,102
Investment management costs	(3,105)	(2,805)
Charitable expenditure	(17,961)	(19,121)
Gains and losses on investments	(10,319)	21,831
Net movement in funds	97,152	102,253

The aggregate of the assets, liabilities and funds was

	Total 2012 £	Total 2011 £
Assets	667,317	569,465
Liabilities	(700)	-
Funds	666,617	569,465

Represented by

	Total 2012 £	Total 2011 £
Permanent endowment fund	651,851	557,780
Restricted funds	14,766	11,685
Funds	666,617	569,465

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 to other charities or organisations that have common Trustees/Directors, or whose employees are Directors of the Community Foundation. All grants have been awarded using the same guidelines as any other grant. 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 £39,644 to Community Foundation during the year, (2011 £112,915) 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 £18,434 to cover rent and other office services.

Full details are given below of grants awarded during the year to related charities and organisations.

Organisation	Director involved	Relationship	Total grants £
The Cyrenians	Jo Curry	Trustee	2,173
HealthWORKS Newcastle	Chris Drinkwater CBE	Trustee	354
North Music Trust	Roger Kelly/Jane Robinson/Fiona Cruickshank OBE	Trustees	611,325

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

	2012 £
Increase in cash in period	1,924,923
Decrease in short term deposits	(2,301,017)
Movement in net funds in the year	(376,094)
Net funds at 1 April 2011	4,642,378
Net funds at 31 March 2012	4,266,284

Analysis of net funds

	1 April 2011 £	Cashflow £	31 March 2012 £
Cash at bank and building society	1,331,861	1,924,923	3,256,784
Short term deposits	3,310,517	(2,301,017)	1,009,500
Net funds	4,642,378	(376,094)	4,266,284

22 Contingent liability

At March 2011 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.