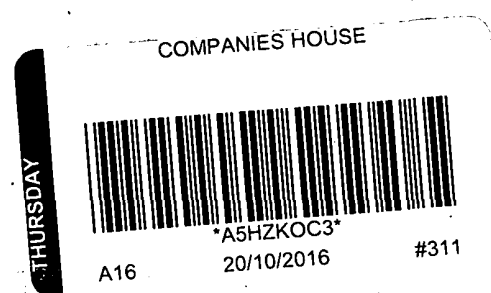


Community Foundation
serving Tyne & Wear and Northumberland
(A company limited by guarantee)

**Annual financial statements
for the year ended 31 March 2016**

Registered company number 2273708

Registered charity number 700510



Community Foundation

serving Tyne & Wear and Northumberland

(A company limited by guarantee)

Annual financial statements

for the year ended 31 March 2016

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Community Foundation

serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2016

Introduction

The Board present their report and the audited consolidated financial statements for the year ended 31 March 2016.

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

The Community Foundation's charity registration number is 700510 and the limited company number is 2273708. The principal office and registered office is Philanthropy House, Woodbine Road, Gosforth, Newcastle upon Tyne, Tyne & Wear NE3 1DD. The Charity is incorporated in the United Kingdom.

The Community Foundation comprises four separate organisations whose financial statements 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 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 financial statements.

The Community Foundation is a member and active supporter of UK Community Foundations, registered charity number 1004630, which supports and promotes good practice between community foundations in the United Kingdom. The Chief Executive and Colin Seccombe (Community Foundation Board member) are elected members of the UK Community Foundation's board of trustees. The Community Foundation manages some funding programmes on contracts from UK Community Foundations but is not otherwise subject to any governance arrangements with UK Community Foundations.

Community Foundation
serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2016 (continued)

Advisers

Chartered Accountants and Statutory Auditors

PricewaterhouseCoopers LLP
5th and 6th Floors
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3AZ

Main Bankers

Barclays Bank PLC
Newcastle Corporate Services
Barclays House
5 St. Ann's Street
Quayside
Newcastle upon Tyne
NE1 3DX

Investment Managers

Rathbone Investment Management Limited
Earl Grey House
75-85 Grey Street
Newcastle upon Tyne
NE1 6EF

Investec Wealth & Investment
2 Gresham Street
London
EC2V 7QP

Brewin Dolphin
Time Central
Gallowgate
Newcastle upon Tyne
NE1 4SR

CCLA Investment Management Limited
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Solicitors

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

Community Foundation

serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2016 (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 Memorandum and Articles 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 Nominations and Remuneration Committee (from April 2016). Each new Board Member is given a standard induction pack and attends an induction session with the senior staff and meets the Chair. The Nominations and Remuneration Committee reviews training needs of the Board members and arranges training as required. The involvement of Board members is reviewed by Honorary Officers of the Board after one and three years to ensure that the skills and time provided by members 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. An additional meeting is held for reflection and forward planning as required within the strategy period. 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 2016 (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)
- Honorary Officers (Hon)
- Investment & Finance Committee (Inv)
- Philanthropy Committee (Phil)

Members of the Board who served during the year and up to the date of signing of the financial statements, including committees on which they served during the year, are as follows:

Ashley Winter OBE – Chair elected October 2008	(Hon)
Jo Curry – Deputy Chair co-opted October 2008, elected November 2010	(Phil)
Geoff Hodgson – Deputy Chair co-opted June 2013, elected October 2013	(Hon)
Colin Seccombe - Treasurer to November 2015 elected October 2007, co-opted December 2012	(Inv, Hon)
Alastair Conn - Treasurer from November 2015 elected November 2009	(Inv, Hon)
Lady Blackett co-opted December 2015	(Phil)
John Clough MBE co-opted November 2009, elected November 2010, retired October 2015	(Inv)
Fiona Cruickshank OBE elected November 2011	(Phil)
Professor Chris Drinkwater CBE co-opted October 2006, retired November 2015	(Hon, Phil)
Nick Hall appointed October 2013 to represent statutory authorities	(Audit)
Professor Charles Harvey co-opted October 2008	(Phil, Audit)
Daljit Lally OBE appointed October 2014 to represent statutory authorities	(Phil)
Christopher Lendrum CBE elected November 2015	(Inv)
Sharon Spurling elected October 2014	(Phil)
Jane Robinson appointed March 2012 to represent statutory authorities	(Phil)
Neil Warwick co-opted December 2015	(Audit)
Susan Winfield OBE appointed October 2006, co-opted December 2013, retired November 2015	(Audit)
Sally Young elected October 2014	(Audit)

Community Foundation

serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2016 (continued)

Structure, governance and management (continued)

The Board has restructured its Committees since the year end and the Committees are now:

- Finance and Operations
- Nominations and Remuneration
- Investment
- Scrutiny, Audit and Risk

Sharon Spurling will retire by rotation at the 2016 Annual General Meeting and is eligible for re-election. Ashley Winter OBE and Colin Seccombe will retire at the 2016 AGM. The Board has appointed Fiona Cruickshank OBE to be chair-designate to succeed Ashley Winter OBE following the Annual General Meeting.

The Board also appoints a President, Vice Presidents and Patrons in recognition of their distinguished service to the community or contributions to the Community Foundation. These are honorary positions with no formal powers or duties. The Board reviewed appointments in June 2015. The current office holders are listed in the yearbook and on the Community Foundation's website.

The liability of the members for the debts and liabilities of the company is limited and in the event of the company being wound up would not exceed £1 per member.

The Board has a scheme of delegation which details areas where the Board has, in accordance with the Memorandum and Articles of Association, delegated decisions to individual trustees, to sub-committees or task groups or to senior staff. The scheme of delegation also covers those matters always reserved for the full membership and the full Board. The delegated areas are segmented into the following categories: governance, audit & risk, operations and finance, investment, and philanthropy and funding.

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
Sonia Waugh	Chief Operating Officer
Lisa Cappleman	Director of Philanthropy Development
Adam Lopardo	Director of Partnerships
Derry Nugent	Director of Philanthropy Services
Mark Pierce	Director of Policy and Programmes

At the year-end there was a total of 21 staff (full time equivalent 18).

The Board has a remuneration policy which covers the arrangements for setting salaries throughout the organisation including those staff responsible for day-to-day management. Salaries are reviewed annually by a sub-committee of the Board with any recommendations for pay increases presented to the full Board. The sub-committee takes account of cost of living rises and inflation, external benchmarking data and staff performance and contributions to the organisation's work.

Community Foundation

serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2016 (continued)

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 Foundation of its community: nurturing philanthropy, engaging partners and building a culture of giving to benefit its area now and for generations to come. To do this, the Community Foundation provides:

- philanthropy advice and giving options for individuals, families, businesses and trusts;
- funding and support for voluntary organisations and individuals; and
- community leadership using the knowledge generated through its work.

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 Pen & Palette Club Fund within the North East Fund for the Arts only makes grants to organisations, groups and individuals for activities associated with literature, music and visual arts. 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 Trustees 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.

Plans for future periods

Plans for future periods are detailed on pages 9 and 10 of this report.

Strategic report

Achievements and performance

2015-16 was the third and final year of the Community Foundation's 2013-16 strategy. Achievements and performance against the annual business plan as reviewed by the Board in June 2016 are set out below. More detailed descriptions of activities and their impact are included in the Community Foundation's yearbook.

***Growth:** To have an endowment of £60m by the end of 2016 and to continue bringing in revenue and programme funds. This is so we can better serve our area's communities now and for generations to come with a growing, independent community asset and increased fund distribution.*

- 24 major prospective donors were engaged, 7 new funds established and 4 legacy notifications received.
- Endowment gifts totalled £6.06m, of which £1.81m was from new donors.
- Revenue and programme fund gifts totalled £4.44m, of which £0.44m was from new donors.

Community Foundation

serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2016 (continued)

Strategic report (continued)

Achievements and performance (continued)

Impact: To make the best use of all the tools we have – our funding, our knowledge and our voice – and to enrich the giving experience for our donors. This is so we can maximise the benefits of community philanthropy in our area.

- During the year 1,417 grants (2015: 1,433) totalling £7.29m (2015: £5.4m) were awarded, exceeding the target of £5.5m. Targets were also met for allocating funds across the area of benefit. 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 programmes run in partnership with other funders, including £1,220,600 on behalf of the Henry Smith Charity. The table below shows the breakdown by fund type.

Fund type	No of grants	Total awards
Individual and family funds	406	1,415,543
Corporate funds	283	916,968
Charity and trust funds	256	1,076,243
Theme and affinity funds	258	356,241
Programme and partnership funds	195	2,476,021
Agency funds (benefiting a named organisation)	19	1,053,291
Total grants awarded by the full Group	1,417	£7,294,307

- A second edition of the *Vital Signs* reports for Tyne & Wear and Northumberland was published and activities commissioned around it to demonstrate how philanthropy could have an impact around the themes of work and the local economy.

Sustainability: to maintain the real value of our endowment, cover our costs, invest strategically in our people and operations and maintain strong principles and high standards. This is so we can meet our growth and impact goals, whilst remaining effective and efficient.

- The Group endowment value at the year-end reached £67.1m against a year target of £72m because of market fluctuations.
- The average total return on the main fund was minus 1.8% against a target of 6%.
- 81% of core costs were covered by fund contributions against a target of 75%.
- The former Northern Rock Foundation offices were transferred to the Community Foundation on a part-kind grant basis, with the remaining costs met by a gift from a private donor.

Community Foundation

serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2016 (continued)

Financial review

Net assets at 31 March 2016 were £72.85m (2015: £72.37m). £67.07m of the assets related to endowment funds (2015: £67.07m). The total unrealised and realised losses on investments amounted to £3.13m (2015: £5.49m gain). There were new donations to the endowment funds during the year of £6.06m (2015: £5.23m), and fees and transfers out of endowment of £2.93m (2015: £1.52m). The expendable endowment fund (charity only), is treated by the Trustees as a long-term capital fund to provide income for future grant-making. Further details of performance of subsidiary undertakings are detailed in note 22. The investments were managed by Investec Asset Management, Rathbone Investment Management, Investec Wealth & Investment Management, CCLA Investment Management and Brewin Dolphin, to achieve maximum total returns and provide an agreed amount annually for grant-making. CCLA Investment Management Limited also 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 monitors the managers' performance in relation to the WM Charity Benchmark and other relevant indices at its quarterly meetings and met with each of the managers at least annually, more frequently with Investec Asset Management, Rathbones and Investec Wealth & Investment. During the year Investec Asset Management stated that they could no longer manage the investments due to regulatory changes. As a result, the Board agreed to transfer some of the funds to Investec Wealth & Investment and transfer the balance to the funds held with Rathbones. During the year the Community Foundation moved offices as the lease came to an end at Cale Cross, moving to Philanthropy House. Dilapidation costs for Cale Cross have been included within overhead support costs.

Clear guidelines have been agreed in relation to asset allocation and these were also reviewed by the Investment Committee quarterly. The main fund performed behind the WM benchmark following, what the Board acknowledges was a very difficult and volatile period, with a total return average of minus 1.6% compared to benchmark 0.2%. The Board were content with performance on the other smaller funds. After the year end, the WM Charity Benchmark was discontinued and the Board changed to monitoring performance against a bespoke benchmark rather than a peer group.

Total income and endowment for the year totalled £12.18m (2015: £12.54m). The main sources of income were new donations and investment income. The main resources expended were for charitable grants of £7.23m net (2015: £5.40m net). Fundraising events within the charity relates solely to an event held to raise funds for the Women's Fund.

Financial review - 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, less the property, Philanthropy House, for future grant-making and other direct charitable expenditure. The Unrestricted Funds balance at 31 March 2016 of £1,818,156 includes £1,266,547 set aside for designated funds which are solely for future grant-making, and the balance of £515,609 less fixed assets of £41,920, £509,689, as a general reserve available to meet future administration and development expenditure.

The Board reviewed its reserve level and designated £80,000 of the general reserves to cover restructuring costs in 2016, and £13,000 for potential grant claw back. The Board sets 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 and a minimum level based on the same scenario but adjusting some costs during the 12 months and reviews its policy annually. At the year end, the reserve level was in the upper level of this range.

Annual report for the year ended 31 March 2016 (continued)

Strategic report (continued)

Plans for future periods

In March 2016 the Board approved a new strategy framework. Given the demand for our work and potential for its further development, the Board believes the Community Foundation can and should continue to grow to better serve the area's people and places. So it has set an ambition that by 2025, the Foundation will be awarding grants totalling £10m a year. That will mean building endowment assets to £100m and continuing to draw in significant revenue and programme funds. To achieve that, the Board wants to increase the Foundation's profile, scale and impact. To work towards the 2025 ambition, the Board has agreed its priorities for the 2016-2020 period as follows.

Philanthropy:

1. Populating the pipeline of potential donors through more research, introductions, referrals, endorsements and cultivation activities.
2. Experimenting with entry-level products and new forms of engagement to increase and diversify our reach within and outside our region, including with businesses.
3. Marketing our unrestricted, theme and area funds as an effective giving option including facilitating third-party fundraising to increase donations.
4. Deepening our relationships with existing fund-holders and providing the best quality philanthropy advice, engagement and impact.
5. Promoting legacies as a means of supporting our community in perpetuity.
6. Building better data on donors' interests and wishes through surveys and feedback.

Funding and support:

7. Shifting our focus from grant processes to grantee engagement by refining our communications and decision-making.
8. Exploring ways of better supporting our most trusted grantees through bigger, longer-term or less restricted funding as well as helping emerging groups to get going.
9. Aligning our unrestricted and discretionary spending more closely to vital issues to better address funding gaps, hidden needs and less popular causes.
10. Ensuring we are capturing the right data to support our work and inform others'.
11. Increasing the range and type of non-monetary support we offer.
12. Developing a role in social investment ensuring a better fit between demand and supply.
13. Selling our grant-making expertise so that more third parties benefit.

Community knowledge and leadership:

14. Building more influence in the philanthropy and funding fields, including through increasing the impact of our community knowledge products and other research.
15. Strengthening our regional role through working more closely with County Durham Community Foundation and with other organisations and networks.
16. Continuing to nurture national funder partnerships that lever in resources to support our area.
17. Exploring opportunities for more and bigger initiatives, joint ventures and collaborations building on our expertise and specialisms in philanthropy and funding.
18. Ensuring we have a disaster response toolkit, drawing on learning from our colleagues.

Community Foundation

serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2016 (continued)

Strategic report (continued)

Plans for future periods (continued)

Governance and operations:

19. Reviewing our communications and marketing with the goal of increasing our profile and differentiating our offer in the marketplace.
20. Deepening Board engagement through a refocused committee structure and support for members' development as champions of community philanthropy;
21. Revising the Memorandum and Articles to ensure our governance and group structure continue to be fit-for-purpose.
22. Maximising total return on investment and maintaining a 6% withdrawal rate.
23. Enhancing operations through digital systems and services.
24. Ensuring we continue to cover operating costs including by exploring set-up contributions for new funds, building an operating endowment and designating reserves for one-off developments.
25. Demonstrating excellence through national quality accreditation, donor and grantee satisfaction and third party endorsements.

Principal risks and uncertainties

The Board receives an annual assessment of risk prepared by the senior staff and agrees steps to manage risk. In December 2015 the Board reviewed its risk policy for determining, managing and reviewing the risks to which the Community Foundation is exposed. The Board will continue to review the risk policy every three years. The risk register is reviewed quarterly and any significant changes reported to the Board. Twice yearly the Scrutiny, Audit & Risk Committee considers the risk register. Every year, the Board receives a report on risk and approves an updated risk register. The main risks identified in the most recent register dated March 2016 were:

- Stock market crash
- Unable to achieve 6% total return
- Poor investment management performance
- Loss of key personnel

The Board reviews controls already in place for mitigating risks and identifies further treatment or monitoring required to manage the identified risks. The first three main risks noted above are linked to the performance and drawdown from the Community Foundation's endowment funds. The Board recognises that 2016 has been a difficult and volatile year for markets. The Investment Committee meets regularly with the investment managers to discuss and review performance of the funds, which are invested in line with the Community Foundation's Investment Policy. The Board reviews its Investment Policy on a regular basis including the ranges of asset allocation and benchmarking. The Board also carries out a detailed annual review, taking into account all relevant factors, of the drawdown rate applied to the expendable endowment funds.

Community Foundation

serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2016 (continued)

Strategic report (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, the Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the trustees must not approve the financial statements unless they are satisfied that they 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 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 comprising FRS102 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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.

The Trustees are responsible for the maintenance and integrity of 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.

Statement as to disclosure of our auditors

In so far as the Trustees are aware at the time of approving our annual report:

- there is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware; and
- the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Independent Auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office, however a review will be carried out of auditors and a resolution concerning appointment will be proposed to members at the Annual General Meeting.

The Report of the Trustees and the Strategic Report were approved by the Board of Trustees.

By Order of the Board

Ashley Winter OBE
Chair



20 September 2016

Community Foundation

serving Tyne & Wear and Northumberland

Independent Auditors' Report to the Members of Community Foundation serving Tyne & Wear and Northumberland Report on the financial statements

Our opinion

In our opinion, Community Foundation serving Tyne & Wear and Northumberland's group financial statements and parent company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2016 and of the group's incoming resources and application of resources, including its income and expenditure and of the 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.
-

What we have audited

The financial statements, included with the Annual financial statements (the "Annual Report"), comprise:

- the group and parent charitable company balance sheets as at 31 March 2016;
- the group statement of financial activities and the group summary income and expenditure account for the year then ended;
- the group cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Trustees' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of trustees' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

**Independent Auditors' Report to the Members and Trustees of
Community Foundation serving Tyne & Wear and Northumberland
(continued)**

Responsibilities for the financial statements and the audit

Our responsibilities and those of the trustees

As explained more fully in the Trustees' Responsibilities Statement, the trustees 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) ("ISAs (UK & 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.

What an audit of financial statements involves

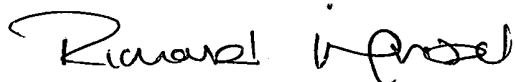
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

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

We primarily focus our work in these areas by assessing the trustees' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Richard Lingwood (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne

20 September 2016

Community Foundation
serving Tyne & Wear and Northumberland

**Consolidated statement of financial activities
for the year ended 31 March 2016**

	Notes	Unrestricted funds	Restricted funds	Endowment funds	Total 2016	Total 2015
		£	£	£	£	£
Income and endowments from:						
Donations and legacies		841,326	3,588,970	6,060,013	10,490,309	10,050,446
Charitable activities	3	33,397	14,021	-	47,418	545,666
Other trading activities	4	6,000	37,894	-	43,894	30,033
Investment income	5	696,757	900,416	-	1,597,173	1,915,440
Total income and endowments		1,577,480	4,541,301	6,060,013	12,178,794	12,541,585
Expenditure on:						
Raising funds	7	229,238	40,287	-	269,525	256,216
Investment management costs		-	-	176,509	176,509	175,614
Charitable activities	8	2,139,812	5,979,479	-	8,119,291	6,117,361
Total expenditure		2,369,050	6,019,766	176,509	8,565,325	6,549,191
Net (losses)/gains on investments		-	-	(3,125,117)	(3,125,117)	5,490,307
Net (loss)/ income		(791,570)	(1,478,465)	2,758,387	488,352	11,482,701
Transfers between funds		976,417	1,778,968	(2,755,385)	-	-
Net movement in funds		184,847	300,503	3,002	488,352	11,482,701
Reconciliation of funds:						
Total funds brought forward		1,633,309	3,662,658	67,070,589	72,366,556	60,883,855
Total funds carried forward		1,818,156	3,963,161	67,073,591	72,854,908	72,366,556

All of the above results are derived from continuing operations. All gains and losses which were incurred in the current year and prior year are included above. The comparative figures for each fund are shown in the notes to the accounts (note 2).

Community Foundation
serving Tyne & Wear and Northumberland

**Consolidated income and expenditure account
for the year ended 31 March 2016**

	Notes	2016 £	2015 £
Income - continuing operations			
Donations and legacies		4,430,296	5,314,880
Charitable activities		47,418	58,528
Other trading activities		43,894	26,584
Investment income	5	1,597,173	1,915,440
		6,118,781	7,315,432
Expenditure - continuing operations			
Grants	8	7,226,396	5,398,155
Staff costs	9	717,206	640,838
Other costs		445,214	334,584
		8,388,816	6,373,577
Net (expenditure)/income for the year before transfers, investment asset disposals and taxation		(2,270,035)	941,855
Transfer from endowment fund		2,755,385	1,348,633
Losses on investments		-	(21,053)
Taxation	14	-	-
Net surplus for the year		485,350	2,269,435

The total income of £6,118,781 comprises £1,577,480 for unrestricted funds and £4,541,301 for restricted funds as shown in the statement of financial activities. The total expenditure of £8,388,816 comprises £2,369,050 for unrestricted funds and £6,019,766 for restricted funds as shown in the statement of financial activities.

Community Foundation
serving Tyne & Wear and Northumberland

Balance sheets as at 31 March 2016

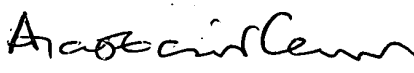
Registered company number 2273708

	Notes	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
Fixed assets					
Endowment fund investments	10	66,392,457	66,898,861	64,025,354	64,373,918
Investments	10	-	-	100	100
Tangible assets	11	773,170	755,934	773,170	755,934
Total fixed assets		67,165,627	67,654,795	64,798,624	65,129,952
Current assets					
Debtors	12	689,200	474,264	682,178	465,510
Cash on short-term deposit		4,000,000	2,623,205	4,000,000	2,623,205
Cash at bank and in hand		3,645,031	2,817,810	3,526,231	2,765,975
Total current assets		8,334,231	5,915,279	8,208,409	5,854,690
Creditors: amounts falling due within one year	13	(2,644,950)	(1,203,518)	(2,636,365)	(1,192,948)
Net current assets		5,689,281	4,711,761	5,572,044	4,661,742
Total assets less current liabilities		72,854,908	72,366,556	70,370,668	69,791,694
The funds of the charity:					
Endowment funds	15	67,073,591	67,070,589	64,640,114	64,542,902
Restricted income funds	16	3,963,161	3,662,658	3,912,398	3,615,483
Unrestricted income funds	17	1,818,156	1,633,309	1,818,156	1,633,309
Total charity funds		72,854,908	72,366,556	70,370,668	69,791,694

The financial statements on pages 14 to 43 were approved by the Board on 20 September 2016 and were signed on their behalf by:


Ashley Winter OBE

Chair


Alastair Conn

Treasurer

Community Foundation
serving Tyne & Wear and Northumberland

Consolidated cash flow statement for the year ended 31 March 2016

	Notes	Group 2016 £	Group 2015 £
Cash flows from operating activities:			
Net cash used in operating activities	24	(2,792,323)	(1,728,293)
Cash flows from investing activities:			
Dividends and interest from investments		1,597,173	1,915,440
Purchase of fixed assets		(42,134)	(751,803)
Proceeds from the sale of investments		27,113,674	19,376,631
Purchase of investments		(29,732,387)	(23,105,812)
Net cash used in investing activities		(1,063,674)	(2,565,544)
Cash flows from financing activities:			
Receipt of endowment		6,060,013	5,226,153
Net cash provided by financing activities		6,060,013	5,226,153
Change in cash and cash equivalents in the year		2,204,016	932,316
Cash and cash equivalents at the beginning of the year	24	5,441,015	4,508,699
Cash and cash equivalents at the end of the year	24	7,645,031	5,441,015

Community Foundation

serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2016

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention as modified by the revaluation of listed investments and freehold investment property. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006 and the Charities Act 2011.

This is the first year that the Charity has presented its results under FRS 102. FRS 102 has been adopted by the Charity for year ended 31 March 2016. The last financial statements under previous UK GAAP were for the year ended 31 March 2015. The date of transition to FRS 102 is 1 April 2014.

The Community Foundation meets the definition of a public benefit entity under FRS 102. The directors consider that there are no material uncertainties about the group's ability to continue as a going concern.

The financial statements consolidate the results of the Charity and its wholly-owned subsidiaries, 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

b) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the financial statements the Directors have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No restatements were required. In accordance with the requirements of FRS 102 a reconciliation of opening balances and net income/(expenditure) for the year is provided with the net income/(expenditure) under the previous GAAP adjusted for the presentation of investment gains/(losses) as a component of reported income.

Reconciliation of reported net income

Net income/expenditure as previously stated	£ 5,992,394
Adjustment for gains on investments now treated as a component of net income	£ 5,490,307
2015 net income as restated	£11,482,701

c) 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 probable and entitled to the donation at that point in time. All donations are derived from the UK. Investment income is recognised on an accruals basis. Grants from the government and other agencies have been included as income from charitable activities where these amount to a contract for services.

Notes to the financial statements for the year ended 31 March 2016

1 Accounting policies (continued)

c) Incoming resources (continued)

Legacy entitlement is taken as the earlier of the date on which either, the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executors to the Charity that a distribution will be made, or when a distribution is actually received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

d) 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 funds and charitable activities have been allocated direct to those cost headings and support costs (including governance costs) have been apportioned on the basis of staff time spent on each area.

e) 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.

f) 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 £1,944,073 (2015: £1,313,610) in excess of investment income, was transferred from the main and ethical endowment funds to restricted (£1,093,575) and unrestricted (£850,498) funds in the year. A separate agreement operates for Community First funds and any gain above indexed adjusted value is withdrawn from the funds. A total of £440,868 indexed gain was withdrawn during the year.

Community Foundation

serving Tyne & Wear and Northumberland

1 Accounting policies (continued)

g) Listed and unlisted investments

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

Unlisted investments are quoted at cost. Freehold investment property is stated at the fair value estimate as valued by property consultants in 2016 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.

h) 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:

Land and buildings	-	Over 50 years
Furniture and equipment	-	20% and 25% per annum
Office improvements	-	Over 10 years

i) Operating leases

Rentals applicable to operating leases are charged to the SOFA and Income and Expenditure Account

j) Pensions

The Community Foundation makes contributions on behalf of certain staff to a number of independently controlled defined contribution pension schemes and for other staff into the group pension scheme. Contributions are charged in the period to which they relate.

k) Liquid resources

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

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2016
(continued)

2 Statement of Financial Activities prior year fund comparatives

	Unrestricted funds	Restricted funds	Endowment funds	Total 2015
	£	£	£	£
Income and endowments from:				
Donations and legacies	1,185,461	4,129,419	4,735,566	10,050,446
Charitable activities	58,528	-	487,138	545,666
Other trading activities	11,000	15,584	3,449	30,033
Investment income	718,122	1,197,318	-	1,915,440
Total income and endowments	1,973,111	5,342,321	5,226,153	12,541,585
Expenditure on:				
Raising funds	239,010	17,206	-	256,216
Investment management costs	-	-	175,614	175,614
Charitable activities	1,920,157	4,197,204	-	6,117,361
Total expenditure	2,159,167	4,214,410	175,614	6,549,191
Net (losses)/gains on investments	-	(21,053)	5,511,360	5,490,307
Net income/(expenditure)	(186,056)	1,106,858	10,561,899	11,482,701
Transfers between funds	539,254	809,379	(1,348,633)	-
Net movement in funds	353,198	1,916,237	9,213,266	11,482,701
Reconciliation of funds:				
Total funds brought forward	1,280,111	1,746,421	57,857,323	60,883,855
Total funds carried forward	1,633,309	3,662,658	67,070,589	72,366,556

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2016
(continued)

3 Charitable activities

	2016	2015
	£	£
Grants from public bodies	-	487,138
Other charitable activities	47,418	58,528
	47,418	545,666

4 Other trading activities

	2016	2015
	£	£
Fundraising event	20,704	17,166
Other trading activities	23,190	12,867
	43,894	30,033

5 Investment income

	2016	2015
	£	£
Dividends & interest from endowment fund assets	1,549,127	1,875,940
Interest receivable on cash deposits	48,046	39,500
	1,597,173	1,915,440

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2016
(continued)

6 Allocation of support costs, overheads and governance

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

	Raising funds £	Charitable activities £	Total 2016 £	Total 2015 £
Support staff costs	30,005	122,251	152,256	150,831
Governance staff costs	9,508	38,737	48,245	51,911
Overhead costs	73,335	252,802	326,137	219,403
Governance direct costs	6,905	28,135	35,040	30,382
	119,753	441,925	561,678	452,527
Included in overhead costs are the following:			2016 £	2015 £
Operating lease rentals - land and buildings			-	69,470
Auditors' remuneration – audit services			8,250	8,000
Loss on disposal of fixed assets			950	-
Depreciation			23,948	11,929

7 Costs of raising funds

	2016 £	2015 £
Staff costs	121,759	121,610
Direct costs	28,013	21,331
Support costs	119,753	113,275
	269,525	256,216

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2016
(continued)

8 Charitable activities

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

	2016	2015
	£	£
Grants payable	7,226,396	5,398,155
Staff costs	394,946	316,485
Direct costs	56,024	63,469
Support costs	441,925	339,252
	8,119,291	6,117,361

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

	2016 £	2016 Number	2015 £	2015 Number
Grants approved for payment:				
Other charities & voluntary organisations	7,220,502	1,279	5,369,932	1,297
Individuals	73,805	138	54,643	136
Total new grants awarded in the year	7,294,307	1,417	5,424,575	1,433
Grants cancelled	(67,911)		(26,420)	
Total grant expenditure	7,226,396	1,417	5,398,155	1,433

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 financial statements for the year ended 31 March 2016
(continued)

9 Staff costs

Staff costs comprise the following:	2016 £	2015 £
Wages and salaries	626,589	559,816
Social security costs	57,798	51,638
Other pension costs	32,819	29,384
	717,206	640,838

The average number of employees, excluding Company Directors, employed by the Group during the year was 21 (2015: 20), full time equivalent 17.79 (2015: 16.93). The ratio of the highest salary to the median salary was 2.3:1 (2015: 2.4:1). The gross salary in the year relating to the senior members of staff responsible for the day-to-day management of the Charity was £284,985 plus £18,077 paid in employer pension contributions.

None of the Trustees/Board Directors received any remuneration during the year (2015: Nil). Two of the Directors received reimbursements for expenses during the year totalling £458 (2015: £413).

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

	2016 Number	2015 Number
£70,000 to £80,000	1	1

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2016
(continued)

10 Investments

Endowment fund investments - Group

At valuation	Listed investments £	Deposit & other cash balances £	Freehold property £	Total £
At 1 April 2015	64,741,236	1,755,225	402,400	66,898,861
Additions/movement in the year	29,109,804	622,583	-	29,732,387
Disposals in the year	(27,113,674)	-	-	(27,113,674)
Realised losses in the year	(116,258)	-	-	(116,258)
Unrealised losses in the year	(3,009,359)	-	500	(3,008,859)
At 31 March 2016	63,611,749	2,377,808	402,900	66,392,457
At cost				
At 31 March 2016	59,311,733	2,377,808	285,500	61,975,041
At 31 March 2015	52,281,793	1,755,225	285,500	54,322,518
Listed investments are detailed as follows:			2016 Market Value £	2015 Market Value £
UK Fixed Interest			5,903,888	3,641,279
UK Equities			21,928,734	23,787,365
Property			2,507,312	2,319,927
Overseas Fixed Interest			1,186,079	1,072,197
Overseas Equities			19,945,960	6,557,569
Collective Investment Schemes			8,379,981	26,846,128
Other			3,759,795	516,771
			63,611,749	64,741,236

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2016
(continued)

10 Investments (continued)

Endowment fund investments - Charity

At valuation	Listed investments £	Deposit & other cash balances £	Freehold property £	Total £
At 1 April 2015	62,216,293	1,755,225	402,400	64,373,918
Additions/movement in the year	28,268,604	622,583	-	28,891,187
Disposals in the year	(26,200,211)	-	-	(26,200,211)
Realised losses in the year	(118,934)	-	-	(118,934)
Unrealised losses in the year	(2,921,106)	-	500	(2,920,606)
At 31 March 2016	61,244,646	2,377,808	402,900	64,025,354
At cost				
At 31 March 2016	57,178,216	2,377,808	285,500	59,841,524
At 31 March 2015	50,255,636	1,755,225	285,500	52,296,361

	2016 Market Value £	2015 Market Value £
Listed investments are detailed as follows:		
UK Fixed Interest	5,616,112	3,485,614
UK Equities	20,933,911	23,181,611
Property	2,396,484	2,259,354
Overseas Fixed Interest	1,167,239	1,054,095
Overseas Equities	19,209,741	6,189,359
Collective Investment Schemes	8,265,796	25,561,798
Other	3,655,363	484,462
	61,244,646	62,216,293

Other investments - Charity

At cost & valuation	Unlisted investments £
At 1 April 2015	100
At 31 March 2016	100

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2016
(continued)

10 Investments (continued)

Unlisted investments held by the charity relate to £100 (2015: £100) investment in the subsidiary company Tyne & Wear Foundation Limited at cost. At 31 March 2016, 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 £4,413,494 for the full group (2015: £2,252,744).

The Directors believe that the carrying value of the investments is supported by their underlying net assets. No single investment accounts for more than 5% of the endowment fund investments.

11 Tangible fixed assets

Group and Charity	Land & Buildings	Furniture & equipment	Office improvements	Total
	£	£	£	£
Cost				
At 1 April 2015	750,000	72,611	20,269	842,880
Additions	-	8,662	33,472	42,134
Disposals	-	(32,186)	(20,269)	(52,455)
At 31 March 2016	750,000	49,087	33,472	832,559
Accumulated Depreciation				
At 1 April 2015	3,750	62,927	20,269	86,946
Charge for the year	15,000	6,057	2,891	23,948
Disposals	-	(31,236)	(20,269)	(51,505)
At 31 March 2016	18,750	37,748	2,891	59,389
Net book value				
At 31 March 2016	731,250	11,339	30,581	773,170
At 31 March 2015	746,250	9,684	-	755,934

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2016
(continued)

12 Debtors

	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
Amounts owed by group undertakings	-	-	-	1,111
Other debtors	545,009	356,777	545,009	356,777
Dividends and interest receivable	108,762	95,286	101,740	85,421
Prepayments and accrued income	35,429	22,201	35,429	22,201
	689,200	474,264	682,178	465,510

13 Creditors: amounts falling due within one year

	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
Amounts owed to group undertakings	-	-	-	30
Other creditors and accruals	1,232,208	49,381	1,232,208	49,381
Grants payable	1,412,742	1,154,137	1,404,157	1,143,537
	2,644,950	1,203,518	2,636,365	1,192,948

Other creditors include amounts totalling £1,160,365 relating to amounts due to a number of organisations of outstanding grant commitments transferred from Northern Rock Foundation under deeds of assignment as part of their winding up process.

14 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.

	2016 £	2015 £
Corporation tax payable	-	-

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2016
(continued)

15 Endowment funds

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 2015	67,070,589	64,542,902
Transfers between funds:		
Total returns endowment withdrawal	(2,384,941)	(2,384,941)
Transfers to endowment from income funds	42,714	42,214
Exceptional withdrawal from endowment funds	(413,158)	(413,158)
Net income before transfers	2,758,387	2,853,097
At 31 March 2016	67,073,591	64,640,114

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 £2,384,941 (including Community First indexed gain of £440,868) and is shown as a transfer from the endowment fund. A withdrawal of £92,524 was made from the CNL Young People's Fund, £4,802 from the Barbara and Chris Beith Fund, £101,031 from the Green Scheme Fund and £214,801 from the Sammy Johnson Memorial Fund, all of which were used to cover grant-making commitments during the year.

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2016
(continued)

16 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 2016 have received sufficient funds to return them to credit.

	At 1 April 2015 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2016 £
Frank Acfield	1,685	933	1,000	-	1,618
Akzo Nobel International Paint	(1,158)	16,669	14,218	1,300	(7)
Akzo Nobel International Paint	-	(661)	-	(661)	-
Community First	-	(661)	-	(661)	-
Amec Foster Wheeler	5,953	6,992	6,200	-	6,745
Asian	7,370	5,537	6,276	-	6,631
Stuart Ayre	-	1,781	1,781	-	-
Nancy Barbour Award	2,858	5,318	8,000	-	176
Barnes Grassroots	4,548	3,061	1,780	-	5,829
Sir Jeremy Beecham	(720)	1,456	1,500	-	(764)
Barbara & Chris Beith	651	177	5,630	(4,802)	-
Bellingham	244	2,503	2,317	-	430
Berwick Academy	14,557	8,597	4,489	-	18,665
Blackett Family Community	-	-	-	-	-
First	596	1,002	4,658	(4,150)	1,090
Enid Blyton Fund for Seven	-	40,422	40,422	-	-
Stories	-	40,422	40,422	-	-
Bowey Community First	2	(3,718)	-	(3,718)	2
Ron & Louise Bowey	-	-	-	-	-
Grassroots	1,257	15,195	12,954	-	3,498
Burnell Community First	-	(754)	-	(754)	-
Lawrence Campbell	-	-	-	-	-
Community First	1,859	1,918	7,843	(5,942)	1,876
Canford Audio	108	437	-	-	545
Capacitybuilders CPP	5,458	-	-	-	5,458
Chapman	46	23,929	28,049	-	(4,074)
CNL Young People's	7,897	7,113	100,425	(85,416)	1
Comic Relief	5,517	-	-	-	5,517
Comic Relief Community Cash	65,000	72,475	53,128	16,447	67,900
Comic Relief Local	-	-	-	-	-
Communities	-	72,538	27,569	6,471	38,498
Comic Relief Large Grant	(11)	31,407	29,759	1,626	11
Community Ventures	232	-	-	15	217
Sir Tom Cowie	33,447	69,271	47,430	20,000	35,288
Stephen & Abigail Crampton	-	565	-	-	565
Culture Partnerships	63,091	25,186	-	16,564	71,713
John D Grassroots	1,221	9,710	8,542	-	2,389
Duncan & Sarah Davidson	1,486	3,165	3,800	-	851
Pamela and Dorothy Denham	960	2,870	-	-	3,830
Pamela Denham Community	-	-	-	-	-
First	-	(1,300)	-	(1,300)	-
Pamela Denham Grassroots	1,196	470	-	-	1,666
Carried forward	225,350	424,264	417,770	(44,320)	276,164

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2016
(continued)

16 Income funds - restricted (continued)

	At 1 April 2015 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2016 £
Brought forward	225,350	424,264	417,770	(44,320)	276,164
David Dockray's West End Young People's	(8,055)	43,344	33,635	-	1,654
Do a lotto good - Big Lottery Fund Sunderland Echo Campaign	-	(1,660)	(1,660)	-	-
Enviresearch	-	10,000	-	1,000	9,000
ESF Community Grants	280	(310)	(290)	-	260
Evangelical	492	7,865	6,000	-	2,357
Evening Chronicle Sunshine	-	5,831	5,831	-	-
Express Enterprise	6,387	1,105	-	-	7,492
Esmée Fairbairn North East FARNE	33,067 42,307	155,559 21,621	106,925 28,835	12,300	69,401 35,093
David & Gitta Faulkner	-	3,125	-	-	3,125
Fergusons of Blyth	101	7,257	8,000	-	(642)
Fogo Community First	-	(12,831)	-	(12,831)	-
Fogo Grassroots	6,580	15,987	18,459	-	4,108
Fourteen	17,500	134,190	141,538	(33,675)	43,827
Give2 Gateshead	1,307	1,168	3,480	(2,602)	1,597
Give2 Newcastle	78	4,564	2,500	(11,573)	13,715
Give2 North Tyneside	1,049	968	3,984	(2,493)	526
Give2 Northumberland	714	802	428	(2,103)	3,191
Give2 South Tyneside	597	1,730	4,270	(2,606)	663
Give2 Sunderland	986	5,593	6,914	(14,770)	14,435
David Goldman Awards	472	27,890	27,909	-	453
Allison Greenlees Continuation	-	5,758	3,000	2,758	-
The EDF Energy Green Rigg Wind Farm Community Benefit Green Scheme	25,600 1,177	39,600	33,519 56,959	3,600 (89,081)	28,081 33,299
Jackie Haq Fund for Scotswood	-	1,481	-	-	1,481
Heyman Scholarships	11,600	5,156	2,440	-	14,316
Joy Higginson	1,411	1,166	-	-	2,577
High Sheriff of Northumberland	20,859	45,832	53,750	1,562	11,379
Hockey Cokey Community First	-	(919)	-	(919)	-
Hoult Family Community First	-	(353)	-	(353)	-
Hoult Family Grassroots	(78)	1,897	-	1,000	819
The HunterPemberton Community First	2,589	958	6,796	(3,583)	334
If only... Grassroots	3,547	1,034	-	-	4,581
Josephs Family	-	305	-	-	305
JPMorgan	12,225	2,286	-	-	14,511
Kellett	510,193	355,929	295,379	10,000	560,743
Kerry Community First	55	996	3,000	(3,595)	1,646
Kerry Grassroots	4,639	3,076	5,800	1,085	830
June King	-	2,020	2,020	-	-
Latterford	745	528	1,100	-	173
Lendrum Community First	2,409	863	7,620	(4,407)	59
Linden Community First	-	(46,237)	-	(46,237)	-
Carried forward	926,183	1,279,438	1,285,911	(241,843)	1,161,553

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2016
(continued)

16 Income funds - restricted (continued)

	At 1 April 2015	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2016
	£	£	£	£	£
Brought forward	926,183	1,279,438	1,285,911	(241,843)	1,161,553
Local Environmental Action	28,847	151,428	163,280	(13,506)	30,501
Fausta and Rosemary	-	-	-	-	-
Community First	-	(3,059)	-	(3,059)	0
George Loggie	9,491	1,165	3,000	-	7,656
Lady Betty Martin Fund within the North East Fund for the Arts	1,779	5,211	5,650	-	1,340
Maudslay Family Grassroots	269	1,325	-	-	1,594
Grigor McClelland Community First	804	(11,164)	-	(11,164)	804
Muckle LLP Grassroots	2,216	6,940	9,040	(114)	230
Nash	-	23,150	19,359	2,400	1,391
NEF Grassroots	47	1,592	1,639	-	0
Newcastle Culture Investment	200	581,020	558,400	22,500	320
North East Fund for the Arts	7,506	3,882	8,417	-	2,971
Northern Angel	18,527	11,413	26,787	1,117	2,036
Northern Powergrid Community Energy Seed	-	57,500	33,379	7,500	16,621
Northern Rock Foundation	-	-	-	-	-
Legacy Grants	-	315,000	315,000	-	0
North Tyneside	-	1,510	1,443	-	67
North Tyneside Women's Aid	16,550	-	10,000	-	6,550
Northumberland Group	12,318	31,920	41,810	-	2,428
Out & About	288,651	5,034	134,122	63,979	95,584
P&G Grassroots	-	3,755	3,755	-	0
Partnership programme	218,500	14,200	22,200	77,841	132,659
Patch	15,332	14,455	12,000	-	17,787
Pea Green Boat Community First	11,870	18,100	41,822	(52,844)	40,992
Pen & Palette Club Fund within the North East Fund for the Arts	1,215	4,572	4,663	-	1,124
Percy Family	6,060	4,786	11,158	-	-312
Philanthropy House	749,893	-	-	-	749,893
Platten Family Community First	18,892	20,332	-	(49,762)	88,986
Port of Tyne Community Action	(29,786)	101,830	54,669	12,046	5,329
Prime Grassroots	5,599	15,318	16,516	-	4,401
Prudhoe League of Friends	878	3,498	1,793	-	2,583
Owen Pugh	-	33,600	30,000	3,600	0
Readman Community First	-	(9,445)	-	(9,445)	0
Readman Family Grassroots	51,336	74,214	46,560	-	78,990
Readman Foundation	271,761	2,330	(1,000)	-	275,091
Carrie Reay Grassroots	1,449	3,610	3,700	-	1,359
REEDS Community First	-	(7,124)	-	(7,124)	0
REEDS Grassroots	13,247	19,961	9,850	2,500	20,858
Riddell Family Community First	952	7,622	46,845	(38,271)	0
Riding Grange Grassroots	3,521	3,088	5,880	-	729
Jane Robertson Alnwick	707	719	700	-	726
Brian Roycroft	3,946	5,642	7,906	160	1,522
RWE Innogy UK Middlemoor	-	-	-	-	-
Wind Farm Community	51,738	92,276	63,300	9,228	71,486
Carried forward	2,710,498	2,890,644	2,999,554	(224,261)	2,825,849

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2016

(continued)

16 Income funds - restricted (continued)

	At 1 April 2015	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2016
	£	£	£	£	£
Brought forward	2,710,498	2,890,644	2,999,554	(224,261)	2,825,849
Sage Gateshead	7,458	669,905	670,742	-	6,621
Sammy Johnson Memorial	-	8,948	223,749	(214,801)	-
Share Family	191	-	-	-	191
Shears Grassroots	(1,248)	6,201	4,953	-	-
Smail Family	1,882	2,341	2,500	-	1,723
Henry Smith Charity	761,500	1,483,973	1,216,573	-	1,028,900
Sport Relief	5,616	-	-	-	5,616
Spriggs Family Community					
First	-	(319)	-	(319)	-
Trikoli & Shohba Srivastava					
Community First	-	(494)	-	(494)	-
Sunderland Industrial &					
Reformatory School	1,110	1,223	-	-	2,333
Surviving Winter	1,790	16,787	15,105	2,340	1,132
Suz Grassroots	49	1,579	1,628	-	-
Taylor	4,717	19,141	23,321	-	537
Thornton Family Grassroots	2,118	3,809	3,177	500	2,250
Three Valleys	1,010	2,067	2,500	-	577
Three Valleys Grassroots	4,380	7,317	4,521	-	7,176
Tiny Lives	-	84,638	84,638	-	-
Treeline Grassroots	941	749	1,200	-	490
Tyne & Wear High Sheriff					
Awards	23,593	65,706	38,120	41,622	9,557
Tyne & Wear High Sheriff					
Community First	-	(2,027)	-	(2,027)	-
Tyne & Wear Grassroots	-	797	797	-	-
UK Land Estates	2	-	-	2	-
Virgin Money	-	840	-	(166)	1006
Virgin Money Community	63,214	2,574	65,622	166	-
Vicky Grassroots	3	1,323	1,326	-	-
Ted Weekes	(8)	12,638	12,630	6	(6)
The Wellesley Trust	-	379,677	374,704	1,975	2,998
The Wellesley Trust					
Community First	14,911	(141,730)	16,887	(143,706)	-
Winter Family Grassroots	2,142	7,292	9,356	-	78
CH Wood	(1,476)	4,826	3,350	-	-
Women's	9,650	51,476	37,626	10,806	12,694
Women's Community First	-	(1,117)	-	(1,117)	-
Young Musician's	1,440	5,564	4,328	-	2,676
Total Community Foundation	3,615,483	5,586,348	5,818,907	(529,474)	3,912,398
Joseph Brough Charitable Trust	28,845	28,418	33,735	30	23,498
Tyne and Wear Foundation					
Trust	18,360	20,110	10,675	500	27,295
Tyne & Wear Foundation					
Limited	(30)	-	-	-	(30)
Total Group	3,662,658	5,634,876	5,863,317	(528,944)	3,963,161

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2016
(continued)

16 Income funds - restricted (continued)

Income and transfers include credits of £1,093,575 transferred from the main and ethical endowment funds to distribute as income on a total returns basis. Other outgoings include credit transfers between funds of £685,393, staff costs of £105,784 and other fund expenses and fundraising event costs of £50,665. The Women's Fund includes income from People of Ward Hadaway in memory of Sue Watts fund and Fausta and Rosemary Community First fund, Brian Roycroft fund includes income from the Tessa Hide fund and Tiny Lives fund includes income from the Moor fund.

17 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 2016 have received sufficient funds to return them to credit.

	At 1 April 2015 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2016 £
Adderstone	12,447	11,719	21,089	-	3,077
Anonymous	5,866	8,907	-	-	14,773
Anonymous	2,459	3,146	4,550	-	1,055
Appletree	1,412	5,758	7,730	-	(560)
Barley Hill	943	3,755	2,736	-	1,962
Barnes	317	2,097	(24)	-	2,438
Peter & Angela Barratt	3,397	-	3,397	-	-
Christopher Beadle	-	307	-	-	307
Charles Robert Bell	-	2,820	-	-	2,820
John Bell	9,181	63,535	60,598	-	12,118
Bellway	769	1,596	1,300	-	1,065
Benfield Motors	1,776	2,694	2,500	-	1,970
Bonas Machine Company	773	989	1,200	-	562
Ron and Louise Bowey	8,146	36,969	39,498	-	5,617
The Muriel Campbell	116	1,296	1,412	-	-
Carr-Ellison Charitable Trust	1,791	13,817	12,370	-	3,238
Chrysalis	386	1,398	1,000	-	784
Roland Cookson	19,074	49,467	55,552	2,297	10,692
Coquet	9,000	-	9,000	-	-
Crozier	-	1,089	-	1,089	-
John D Endowment	-	1,214	-	1,214	-
Death of a Nightingale	2,442	-	-	-	2,442
Dickon Trust	18,366	69,715	83,155	-	4,926
The EDF Energy Renewables Barmoor Windfarm					
Community Benefit	60,000	66,675	57,024	6,668	62,983
Fogo	968	22,805	16,745	1,974	5,054
John Paul Getty Jnr	-	100,000	-	-	100,000
Gateshead Housing Company Community	34	54,500	45,033	9,500	1
George & Peggy	774	4,387	5,165	-	(4)
Michael & Christine Heppell	10,191	3,072	1,000	-	12,263
Carried forward	170,628	533,727	432,030	22,742	249,583

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2016
(continued)

17 Income funds - unrestricted (continued)

	At 1 April 2015	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2016
	£	£	£	£	£
Brought forward	170,628	533,727	432,030	22,742	249,583
The Hokey Cokey (that's what it's all about)	3,127	2,401	3,000	-	2,528
I'Anson Family	1,387	2,726	3,646	-	467
If only...	690	466	-	-	1,156
RWE Innogy UK Kiln Pit	-	-	-	-	-
Hill Wind Farm Community	-	17,441	15,038	1,744	659
Sir James Knott	-	2,140	2,140	-	-
John Laing	1,327	4,988	5,000	-	1,315
William Leech Charity	29,185	21,450	1,000	-	49,635
Leech Challenge	5,562	3,156	3,000	-	5,718
Linden Family	479	106,999	107,492	-	(14)
Helen McArdle	2,750	50,000	41,489	5,000	6,261
Grigor McClelland	6,504	22,408	-	-	28,912
Daisy Marr	14,366	28,831	38,998	-	4,199
Lily Matthews	12,770	-	-	-	12,770
David Mattu	1,250	-	-	-	1,250
Maudslay Family	272	554	-	-	826
G S May Family	5,405	5,972	9,750	-	1,627
Medics for the Community	6,250	1,987	15,691	(7,974)	520
Muckle LLP	16,294	15,765	19,006	902	12,151
Newcastle Brown Ale	-	24,931	22,820	2,000	111
Newcastle Building Society	-	-	-	-	-
Community	10,656	8,854	10,000	-	9,510
Emma Newton	1,200	4,818	4,429	-	1,589
North 150	26,935	-	26,935	-	-
North East Brewers	(1,930)	6,187	-	-	4,257
Northern Powergrid	-	15,984	15,942	-	42
Northumbrian Water	(1)	5,715	5,711	-	3
Platten Family	450,194	250,315	103,308	14,917	582,284
PricewaterhouseCoopers	6	1,837	-	-	1,843
Prime	111	11,983	10,815	-	1,279
P&G	-	52,016	52,016	-	-
Guy Readman endowment	-	47,413	-	-	47,413
Ringtons	10,433	41,068	43,642	20	7,839
Rolls-Royce	2,294	1,341	-	-	3,635
St Cuthbert's	2,622	1,138	-	-	3,760
Sage Community	27,058	45,000	41,772	9,500	20,786
Henry Smith Charity North	-	-	-	-	-
East Grants	(74,986)	157,500	149,836	7,500	(74,822)
Johnnie & Tricia Smith	2,867	2,343	4,400	-	810
Barry & Faga Speker	2,333	1,224	1,500	100	1,957
Spriggs Family	662	390	-	-	1,052
Star	477	9,704	7,750	1,750	681
TESS	1,080	2,432	-	-	3,512
Treeline	1,075	2,567	2,410	-	1,232
Vaux	(204)	8,223	8,019	-	-
Ward Hadaway	997	1,567	-	-	2,564
Watkin Family	1,876	27,912	29,580	-	208
Carried forward	744,001	1,553,473	1,238,165	58,201	1,001,108

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2016
(continued)

17 Income funds - unrestricted (continued)

	At 1 April 2015 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2016 £
Brought forward	744,001	1,553,473	1,238,165	58,201	1,001,108
Watson Family	19,476	-	11,000	-	8,476
Willis Charitable	1,426	785	1,400	-	811
Winter Family	1,892	6,463	8,338	-	17
Robert Wood Trust	-	4,352	4,350	-	2
Other general grant-making funds	251,034	148,726	99,826	43,801	256,133
Total designated funds	1,017,829	1,713,799	1,363,079	102,002	1,266,547
Administrative fund	615,480	714,179	-	778,050	551,609
Total Community Foundation	1,633,309	2,427,978	1,363,079	880,052	1,818,156
Total Group	1,633,309	2,427,978	1,363,079	880,052	1,818,156

Income and transfers include £850,498 transferred from the main and ethical endowment funds to distribute as income on a total returns basis. Other outgoing and transfers consist of credits of £125,919 transferred between funds, less £611,422 staff costs, £5,297 designated fund expenses and other net administrative costs of £389,252.

A number of funds contribute to the Community Foundation's general unrestricted grant fund, including Crozier, Ian and Jane Gregg, Greggs plc, Sir James Knott Trust, Mitford, Templeton, Tolent, Tyne Tees Television, and two anonymous funds. In addition to the funds listed in restricted and unrestricted funds there are 25 acorn funds at the year end, 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.

18 Analysis of net assets between funds

Group	Unrestricted funds £	Restricted funds £	Endowment funds £	2016 Total £
Investments	-	-	66,392,457	66,392,457
Tangible fixed assets	41,920	731,250	-	773,170
Current assets	2,055,682	5,581,645	696,904	8,334,231
Current liabilities	(279,446)	(2,349,734)	(15,770)	(2,644,950)
Total net assets	1,818,156	3,963,161	67,073,591	72,854,908

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2016
(continued)

19 Analysis of net assets between funds (continued)

Charity

	Unrestricted funds	Restricted funds	Endowment funds	2016 Total
	£	£	£	£
Investments	-	100	64,025,354	64,025,454
Tangible fixed assets	41,920	731,250	-	773,170
Current assets	2,055,682	5,522,197	630,530	8,208,409
Current liabilities	(279,446)	(2,341,149)	(15,770)	(2,636,365)
Total net assets	1,818,156	3,912,398	64,640,114	70,370,668

20 Financial commitments

At 31 March 2016 the group had annual commitments under non-cancellable operating leases as follows:

	Land & buildings 2016 £	Land & buildings 2015 £
Expiry date:		
Within one year	-	42,452
Within two to five years	-	-
	-	42,452

21 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 £32,819 (2015: £29,384). Outstanding contributions at 31 March 2016 were £653 (2015: £425).

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2016
(continued)

22 Subsidiary company and charities

These financial statements 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

Joseph Brough Charitable Trust - sole trustee

Tyne and Wear Foundation Trust - sole trustee

As permitted by section 408 of the Companies Act 2006, 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 £12,130,266 (2015: £12,488,443) and its net income for the year were £578,974 (2015: £11,242,119) after deduction of losses on investments of £3,039,540 (2015: £5,260,054 gains).

The Community Foundation owns the whole of the issued share capital of Tyne & Wear Foundation Limited, a company registered in England (Company number 3971646). 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 (2015: inactive). A summary of results of the subsidiary company is shown below:

	Total	Total
	2016	2015
	£	£
Turnover	-	-
Cost of sales	-	-
Operating profit	-	-
Administrative costs	-	-
Net profit	-	-

The aggregate of the assets and liabilities was:	Total	Total
	2016	2015
	£	£
Assets	70	70
Liabilities	-	-
Net assets	70	70

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2016
(continued)

22 Subsidiary company and charities (continued)

The Community Foundation is sole trustee of Joseph Brough Charitable Trust, a registered charity (Charity number 227332). All activities of the charity have been consolidated on a line by line basis in the SOFA. A summary of the results of Joseph Brough Charitable Trust is shown below:

	Total	Total
	2016	2015
	£	£
Investment income	33,418	41,960
Charitable activities	(38,765)	(30,640)
Investment management costs	(1,958)	(1,290)
Gains on investments	(60,844)	168,501
Net movement in funds	(68,149)	178,531

The aggregate of the assets, liabilities and funds was:

	Total	Total
	2016	2015
	£	£
Assets	1,689,071	1,763,820
Liabilities	-	(6,600)
Funds	1,689,071	1,757,220

Represented by:

	Total	Total
	2016	2015
	£	£
Permanent endowment fund	1,665,573	1,728,375
Restricted funds	23,498	28,845
Funds	1,689,071	1,757,220

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2016
(continued)

22 Subsidiary company and charities (continued)

The Community Foundation is also sole trustee of Tyne and Wear Foundation Trust, a registered charity (charity number 1030800). All activities of the charity have been consolidated on a line by line basis in the SOFA. A summary of the results of Tyne and Wear Foundation Trust is shown below:

	Total	Total
	2016	2015
	£	£
Investment income	27,555	23,885
Investment management costs	(7,175)	(7,030)
Charitable activities	(18,120)	(16,556)
Gains on investments	(24,733)	61,752
Net movement in funds	(22,473)	62,051

The aggregate of the assets, liabilities and funds was:

	Total	Total
	2016	2015
	£	£
Assets	803,784	822,783
Liabilities	(8,585)	(5,111)
Funds	795,199	817,672

Represented by:

	Total	Total
	2016	2015
	£	£
Permanent endowment fund	767,904	799,312
Restricted funds	27,295	18,360
Funds	795,199	817,672

Community Foundation
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Notes to the financial statements for the year ended 31 March 2016
(continued)

23 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 £44,952 to Community Foundation during the year (2015: £235,259), to named endowment and revenue funds.

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

Organisation	Director involved	Relationship	Total grants £
Calvert Trust	Fiona Cruickshank OBE	Trustee	6,750
Carers Northumberland	Sharon Spurling	Employee	1,000
Changing Lives	Jo Curry	Employee	35,000
Headstrong Productions T/A Headway Arts	Colin Seccombe	Trustee	14,869
HealthWORKS Newcastle	Chris Drinkwater CBE	Trustee	3,006
Newcastle University	Charles Harvey	Employee	70,185
North Music Trust	Jane Robinson/Fiona Cruickshank OBE	Trustees	700,432
NTC Touring Theatre	John Clough MBE	Trustee	6,500
Tyne Metropolitan College	Colin Seccombe	Governor	50,000

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Notes to the financial statements for the year ended 31 March 2016
(continued)

24 Cash flow information for the Group

Reconciliation of net income to net cash flow from operating activities

	2016 £	2015 £
Net income for the year	488,352	11,482,701
Adjustments for:		
Receipt of endowment	(6,060,013)	(5,226,153)
Depreciation charges	23,948	11,929
Losses/(gains) on endowment investments	3,125,117	(5,511,360)
Dividends and interest from investments	(1,597,173)	(1,915,440)
Loss on sale of fixed assets	950	-
Increase in debtors	(214,936)	(360,485)
Increase/(decrease) in creditors	1,441,432	(209,485)
Net cash used in operating activities	(2,792,323)	(1,728,293)

Analysis of cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	3,645,031	2,817,810
Short-term deposits	4,000,000	2,623,205
Total cash and cash equivalents	7,645,031	5,441,015

25 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.