

Community Foundation

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

Annual financial statements for the year ended 31 March 2017

Registered company number 02273708

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 2017

Contents

Annual report for the year ended 31 March 2017.....	1
Independent Auditors' Report to the Members of Community Foundation serving Tyne & Wear and Northumberland.....	13
Consolidated statement of financial activities for the year ended 31 March 2017	15
Consolidated income and expenditure account for the year ended 31 March 2017	16
Balance sheets as at 31 March 2017.....	17
Consolidated cash flow statement for the year ended 31 March 2017	18
Notes to the financial statements for the year ended 31 March 2017	19

Community Foundation

serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2017

Introduction

The Board present their report and the audited consolidated financial statements for the year ended 31 March 2017.

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 02273708. 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 is an elected member and the Vice Chair 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 2017 (continued)

Advisers

Chartered Accountants and Statutory Auditors

Tait Walker LLP
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

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 Limited
2 Gresham Street
London
EC2V 7QP

Brewin Dolphin Limited
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 2017(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. The Board have carried out a review of the governing document and intend to take a resolution to the 2017 Annual General Meeting to adopt new Articles which reflect changes in charity and company legislation and to reduce the overall size of the Board.

There are arrangements for induction, training and support of Board members, which are reviewed by the Nominations and Remuneration Committee. 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 2017 (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:

- Finance & Operations Committee (F&O)
- Investment Committee (Inv)
- Nominations & Remuneration Committee (N&R)
- Scrutiny, Audit & Risk Committee (Audit)

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 (to November 2016) elected October 2008, retired November 2016	(F&O)
Fiona Cruickshank OBE – Chair (from November 2016) elected November 2011	(F&O, N&R)
Jo Curry – Deputy Chair co-opted October 2008, elected November 2010	(F&O, N&R)
Geoff Hodgson – Deputy Chair co-opted June 2013, elected October 2013	(F&O)
Alastair Conn - Treasurer elected November 2009	(F&O, Inv)
Lady Blackett co-opted December 2015	(Inv)
Andrew Haigh elected December 2016	(Inv)
Nick Hall appointed October 2013 to represent statutory authorities	(Audit)
Professor Charles Harvey co-opted October 2008	(Audit)
Daljit Lally OBE appointed October 2014 to represent statutory authorities, resigned February 2017	(Audit)
Christopher Lendrum CBE elected November 2015, resigned February 2017	(Inv)
Patrick Melia appointed December 2016 to represent statutory authorities	(Inv)
Colin Seccombe elected October 2007, co-opted December 2012, retired November 2016	(Inv)
Sharon Spurling elected October 2014	(Audit)
Jane Robinson appointed March 2012 to represent statutory authorities, co-opted November 2016	(F&O)
Neil Warwick co-opted December 2015, elected November 2016	(Audit)
Lucy Winskell OBE elected December 2016	(N&R)
Sally Young elected October 2014	(N&R)

Community Foundation

serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2017 (continued)

Structure, governance and management (continued)

Jo Curry and Professor Charles Harvey will retire at the 2017 Annual General Meeting having served a full term of nine years each. Alastair Conn and Geoff Hodgson will retire by rotation at the 2017 Annual General Meeting and are eligible for re-election.

The Board also appoints a President, Vice Presidents and Patrons in recognition of their distinguished service to the community or contributions to the Community Foundation. These are honorary positions with no formal powers or duties. The Board reviewed appointments in 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
Sandra King	Chief Philanthropy Officer
Sonia Waugh	Chief Finance and Operating Officer
Adam Lopardo	Director of Partnerships
Mark Pierce	Director of Community Knowledge and Funding

At the year-end there was a total of 22 staff (full time equivalent 18.55).

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 2017 (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 Sir Tom Cowie Fund only makes grants to organisations to support disadvantaged, disabled children and young people in Sunderland. 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.

Public Benefit

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 page 10 of this report.

Strategic report

Achievements and performance

2016-17 was the first year of the Community Foundation's 2016-20 strategy which sets out the Board's strategic intent to be awarding grants totalling £10m a year by 2025 through building endowment assets to £100m and continuing to draw in significant revenue and programme funds.

Achievements during 2016-17 against the strategic outcomes and aims as reviewed by the Board in June 2017 are set out below. More detailed descriptions of activities and their impact are included in the Community Foundation's yearbook.

Community Foundation

serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2017 (continued)

Strategic report (continued)

Achievements and performance (continued)

Philanthropy and giving

- £2.6m in endowment gifts and £0.7m in revenue gifts were received.
- 14 new funds were established.
- A Chief Philanthropy Officer was appointed and new Growth Plan developed.
- An in-house endowment match scheme was launched and 73% of its funds allocated by the year end.
- Consultancy was undertaken for Sage Foundation (Sage Group).
- A Women in Philanthropy event was held.

Funding and support

- 1,509 grants (2016: 1,417) totalling £6.83m (2016: £7.29m) were awarded, exceeding the target of £6.5m. The majority continued to be for amounts of under £5,000 and to provide practical support for small groups. The grants total includes programmes run in partnership with other funders, including £1,383,285 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	431	1,504,376
Corporate funds	261	736,138
Charity and trust funds	263	670,919
Theme and affinity funds	254	313,548
Programme and partnership funds	284	2,753,348
Agency funds (benefiting a named organisation)	16	847,379
Total grants awarded by the full Group	1,509	6,825,708

- Standard grants were turned around in 12 weeks and an 8-week target was introduced for delegated grants up to £2,000.
- 6 'Time to Talk' sessions for grantees were held and 14 funding events attended.
- 34 grant review visits were conducted.
- Funding was delivered for partners 14, Comic Relief, NCIF, LEAF.
- A legacy grants programme for Northern Rock Foundation was undertaken.
- Grant-making services were delivered for Northstar Foundation, 1989 Willan Charitable Trust and Ridley Family Charity.
- A new trustee match scheme was launched and support provided through training and community ventures.

Community Foundation

serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2017 (continued)

Strategic report (continued)

Achievements and performance (continued)

Community knowledge and leadership

- *Third Sector Trends Study* was commissioned.
- *Northumberland's Vital Signs 2016* was published and work begun for reports with partners in County Durham and the Tees Valley.
- A web portal was set up for those wanting to offer professional skills and groups wanting to access them.
- Lead roles were undertaken in the North East Social Investment Company, North East Funders Network and UK Community Foundations.
- Thought leadership was provided through high level speaking engagements (e.g. ACF conference) and publications (e.g. Alliance Magazine).
- Feasibility work was undertaken for a 'North East Philanthropy story' project.

Governance and operations

- Group endowment value at year-end reached £78.7m against a target of £70.8m.
- The average total return on the main fund was 21% against a target of 6% plus CPI.
- 82% of core costs were covered by fund contributions against a target of 80%.
- A strategic review of communications and marketing was conducted.
- A new Board sub-committee structure was introduced and Chair's succession completed.
- A review of auditors was completed resulting in the appointment of Tait Walker LLP to succeed PricewaterhouseCoopers LLP, and new benchmarking agreed with investment managers.
- An office sustainability plan was reviewed and implemented.

Fundraising

The Community Foundation is registered with the Fundraising Regulator which is the independent regulator of charitable fundraising. The Board approved a Growth Plan (the Plan) in 2017 which includes the approach we take to fundraising in the organisation. Our approach to delivering the Plan meets the requirements of the Charity Commission, Fundraising Regulator and Information Commissioners Office. Almost all income generation activity will be done by Foundation staff directly or on our behalf through introductions made by ambassadors and professional advisors. We will also connect to potential donors and partners through networking and by raising our profile through communications. When and if we enter into commercial participation arrangements, we will have formal agreements in place that deal with risks to the Foundation and ensure transparency.

We will not:

- use direct marketing, telephone, doorstep or on-street fundraising;
- employ for-profit agencies to raise income on our behalf; or
- share information about donors or supporters without their express permission.

Some fundraising will continue to be done for the Foundation by third parties, for example with our High Sheriff funds, or funds where a donor wishes to raise money from friends or family in memory of a loved one, or to support a particular cause. We have developed guidelines for those undertaking such activities to ensure we, and they, are compliant.

Community Foundation

serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2017 (continued)

Strategic report (continued)

Fundraising (continued)

During the year the Community Foundation entered into a two-year commercial participation agreement with Newcastle Building Society (NBS). NBS has committed to make donations based on the level of funds held by customers in a particular savings product. The agreement includes obligations of both NBS and the Community Foundation including compliance with the protection of children and vulnerable adults policy.

The Community Foundation maintains records of all complaints received and during the year received no complaints on its fundraising activities. The Community Foundation reports this information annually to the Fundraising Regulator.

Programme related investments

Northern Rock Foundation (NRF) were involved in the set up of the North East Social Investment Fund (NESIF) and made loan commitments for 20 years to the primary vehicle – the North East Social Investment Community Interest Company (NESIC). As part of the winding up of Northern Rock Foundation (NRF) their Board agreed to transfer the Loan Fund of £3m to the Community Foundation to ensure continuity of the programme, with both sides signing the novation of the Loan Fund on 12 April 2016. The full value of the novation was £3m and has been recognised within donations to restricted funds.

Financial review

Net assets at 31 March 2017 were £87.02m (2016: £72.85m). £78.66m of the assets related to endowment funds (2016: £67.07m). The total unrealised and realised gains on investments amounted to £11.03m (2016: £3.13m loss). There were new donations to the endowment funds during the year of £2.64m (2016: £6.06m), and fees and transfers out of endowment of £1.91m (2016: £2.76m). 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 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 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 a bespoke benchmark and other relevant indices at its quarterly meetings and meets with each of the managers at least annually, more frequently with Rathbone Investment Management and Investec Wealth & Investment.

Clear guidelines have been agreed in relation to asset allocation and these were also reviewed by the Investment Committee quarterly. The main fund performed slightly ahead of the bespoke benchmark with a total return average of 21.2% compared to benchmark 21%. The Board were content with performance on the other smaller funds.

Total income and endowment for the year totalled £10.88m (2016: £12.18m). The main sources of income were new donations and investment income. The main resources expended were for charitable grants of £6.46m net (2016: £7.23m net). Fundraising events within the charity relates solely to an event held to raise funds for the Women's Fund.

Community Foundation

serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2017 (continued)

Strategic report (continued)

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 2017 of £2,051,792 includes £1,492,325 set aside for designated funds which are solely for future grant-making, and the balance of £559,467 less fixed assets of £40,438, £519,029, is the general reserve available to meet future administration and development expenditure.

The Board reviewed its reserve level during the year and designated £60,000 of the general reserves to cover communications and development and installation costs and installation of a new boiler in 2017 together with £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. The general reserve, after adjusting for designated costs, amounted to £446,029 which was within the range between the minimum level calculated of £375,000 and the maximum £645,000.

Plans for future periods

In March 2017 the Board approved priorities for year two of the 2016-2020 strategy alongside a growth plan designed to deliver on the strategic ambition of reaching £100m in endowment and £10m a year in grants by 2025. The main targets for 2017-18 are below.

KEY PERFORMANCE INDICATORS	2017-18 TARGET
Year-end endowment value	£79m
Total endowment gifts	£2.5m
Total revenue gifts	£0.6m
Programme funds received	£2.5m
Total grants awarded	£7.4m
Average grant size	£6,000
Success rate of external applications	55%
Minimum grant value per capita for each LA area	£1.50
Total return on investment	6% +CPI
Year-end operating budget result	Breakeven
Proportion of core costs covered by fund contributions	89%
Cost of raising funds as % of expenditure	4%

Annual report for the year ended 31 March 2017 (continued)

Strategic report (continued)

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 2016 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 2017 were:

- Losing significant asset value
- Key audiences not knowing us
- Unable to meet operating costs
- Failure to engage new donors

The Board reviews controls already in place for mitigating risks and identifies further treatment or monitoring required to manage the identified risks. The first and third risks noted above are mainly linked to the performance and drawdown from the Community Foundation's endowment funds. 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. The Board has designated reserves to help mitigate the second and fourth risks noted above following a full review of communications carried out during this financial year.

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 judgements 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.

Community Foundation
serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2017 (continued)

Strategic report (continued)

Statement of trustees' responsibilities (continued)

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 to our auditors

In so far as the Trustees are aware at the time of approving the 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.

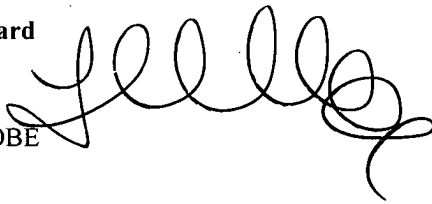
Independent Auditors

Tait Walker have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed 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

Fiona Cruickshank OBE
Chair



19 September 2017

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

We have audited the financial statements of Community Foundation serving Tyne & Wear and Northumberland for the year ended 31 March 2017 which comprise the Consolidated Statement of Financial Activities, the Consolidated Income and Expenditure Account, the Consolidated and Parent Charity Balance Sheets, the Consolidated Cashflow Statement 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, set out on pages 11 and 12 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.

We have been appointed under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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 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. 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.

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 (continued)**

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2017, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to smaller entities); and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

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

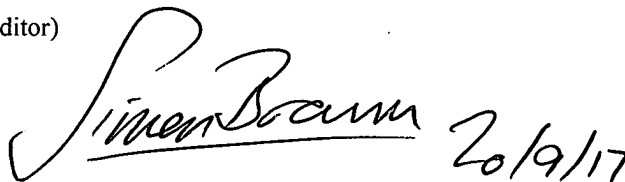
SIMON BROWN ACA (Senior Statutory Auditor)

For and on behalf of

Tait Walker LLP

Chartered Accountants
& Statutory Auditor

Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS



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

Community Foundation
serving Tyne & Wear and Northumberland

**Consolidated statement of financial activities
for the year ended 31 March 2017**

	Notes	Unrestricted funds	Restricted funds	Endowment funds	Total 2017	Total 2016
		£	£	£	£	£
Income and endowments from:						
Donations and legacies		679,685	5,382,485	2,640,394	8,702,564	10,490,309
Charitable activities	3	30,890	77,475	-	108,365	47,418
Other trading activities	4	11,700	20,680	-	32,380	43,894
Investment income	5	885,761	1,146,502	-	2,032,263	1,597,173
Total income and endowments		1,608,036	6,627,142	2,640,394	10,875,572	12,178,794
Expenditure on:						
Raising funds	7	224,895	34,417	-	259,312	269,525
Investment management costs		-	-	220,094	220,094	176,509
Charitable activities	8	1,971,431	5,288,993	-	7,260,424	8,119,291
Total expenditure		2,196,326	5,323,410	220,094	7,739,830	8,565,325
Net (losses)/gains on investments		-	(50,881)	11,083,888	11,033,007	(3,125,117)
Net (loss)/income		(588,290)	1,252,851	13,504,188	14,168,749	488,352
Transfers between funds		821,926	1,090,923	(1,912,849)	-	-
Net movement in funds		233,636	2,343,774	11,591,339	14,168,749	488,352
Reconciliation of funds:						
Total funds brought forward		1,818,156	3,963,161	67,073,591	72,854,908	72,366,556
Total funds carried forward		2,051,792	6,306,935	78,664,930	87,023,657	72,854,908

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 category of funds 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 2017**

	Notes	2017 £	2016 £
Income - continuing operations			
Donations and legacies		6,062,170	4,430,296
Charitable activities		108,365	47,418
Other trading activities		32,380	43,894
Investment income	5	2,032,263	1,597,173
		8,235,178	6,118,781
Expenditure - continuing operations			
Grants	8	6,455,234	7,226,396
Staff costs	9	776,225	717,206
Other costs		288,277	445,214
		7,519,736	8,388,816
Net loss on investments		(50,881)	-
Net income/(expenditure) for the year before transfers and taxation		664,561	(2,270,035)
Transfer from endowment fund		1,912,849	2,755,385
Taxation	16	-	-
Net surplus for the year		2,577,410	485,350

The total income of £8,235,178 comprises £1,608,036 for unrestricted funds and £6,627,142 for restricted funds as shown in the statement of financial activities. The total expenditure of £7,519,736 comprises £2,196,326 for unrestricted funds and £5,323,410 for restricted funds as shown in the statement of financial activities.

Community Foundation
serving Tyne & Wear and Northumberland

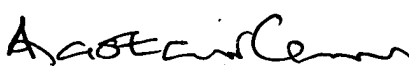
Balance sheets as at 31 March 2017
Registered company number 02273708

	Notes	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Fixed assets					
Endowment fund investments	10	78,345,931	66,392,457	75,585,868	64,025,354
Programme related investments	10	457,928	-	458,028	100
Tangible assets	11	756,688	773,170	756,688	773,170
Total fixed assets		79,560,547	67,165,627	76,800,584	64,798,624
Current assets					
Debtors	12	234,049	689,200	221,666	682,178
Assets held for sale	13	97,000	-	97,000	-
Cash on short-term deposit		5,000,000	4,000,000	5,000,000	4,000,000
Cash at bank and in hand		5,126,513	3,645,031	5,018,326	3,526,231
Total current assets		10,457,562	8,334,231	10,336,992	8,208,409
Creditors: amounts falling due within one year	14	(1,875,262)	(2,644,950)	(1,842,489)	(2,636,365)
Net current assets less current liabilities		8,582,300	5,689,281	8,494,503	5,572,044
Total assets less current liabilities		88,142,847	72,854,908	85,295,087	70,370,668
Creditors: amounts falling due after more than one year	15	(1,119,190)	-	(1,119,190)	-
Total assets		87,023,657	72,854,908	84,175,897	70,370,668
The funds of the charity:					
Endowment funds	17	78,664,930	67,073,591	75,845,202	64,640,114
Restricted income funds	18	6,306,935	3,963,161	6,278,903	3,912,398
Unrestricted income funds	19	2,051,792	1,818,156	2,051,792	1,818,156
Total charity funds		87,023,657	72,854,908	84,175,897	70,370,668

The financial statements on pages 15 to 45 were approved by the Board on 19 September 2017 and were signed on their behalf by:



Fiona Cruickshank OBE
Chair



Alastair Conn
Treasurer

Community Foundation
serving Tyne & Wear and Northumberland

Consolidated cash flow statement for the year ended 31 March 2017

	Notes	Group 2017 £	Group 2016 £
Cash flows from operating activities:			
Net cash used in operating activities	24	(708,201)	(2,792,323)
Cash flows from investing activities:			
Dividends and interest from investments		2,032,263	1,597,173
Purchase of fixed assets		(7,579)	(42,134)
Proceeds from the sale of investments		17,930,820	27,113,674
Purchase of investments		(18,897,406)	(29,732,387)
Programme related investments drawn down		(508,809)	-
Net cash provided by/(used in) investing activities		549,289	(1,063,674)
Cash flows from financing activities:			
Receipt of endowment		2,640,394	6,060,013
Net cash provided by financing activities		2,640,394	6,060,013
Change in cash and cash equivalents in the year		2,481,482	2,204,016
Cash and cash equivalents at the beginning of the year	24	7,645,031	5,441,015
Cash and cash equivalents at the end of the year	24	10,126,513	7,645,031

Notes to the financial statements for the year ended 31 March 2017

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.

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) Going concern

The trustees have prepared budgets and forecasts which give them adequate comfort that the charitable company and group entities are a going concern. Therefore the trustees are of the view that the charitable company and group have sufficient resources for at least the next 12 months from the date of approving the financial statements. As a result the charitable company and group's financial statements have been prepared on the going concern basis.

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 the charity is 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.

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.

Notes to the financial statements for the year ended 31 March 2017
(continued)

1 Accounting policies (continued)

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 £1,860,012 (2016: £1,944,073) in excess of investment income, was transferred from the main and ethical endowment funds to restricted (£1,052,511) and unrestricted (£807,501) funds in the year. A separate agreement operates for Community First funds and any gain above indexed adjusted value is withdrawn from the funds.

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 2017 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.

Community Foundation

serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2017

(continued)

1 Accounting policies (continued)

h) Programme related investments

Programme related investments consist entirely of loans made to North East Social Investment Community Interest Company (NESIC). As part of the winding up of Northern Rock Foundation (NRF) their Board agreed to transfer the Loan Fund of £3m to Community Foundation with both sides signing the novation of the Loan Fund on 12 April 2016. At the transfer date £265,814 had been advanced to NESIC and during this financial year another £242,995 was advanced. NESIC use these loans to invest directly into The North East Social Investment Fund (NESIF).

The investments are recorded at cost less any diminution in value. The Board have reviewed the recoverability of the loan and in order to be prudent, have decided to amortise the investment at 10% per annum. The Board will review recoverability and amortisation on an annual basis.

The balance on the loan fund at 31 March 2017 was £2,491,191 and the funds, less the amortisation, are listed within restricted funds. The loan agreement allows for drawdown by NESIC of the funds for a period of 10 years from the original agreement date of 10 December 2014. The loans are unsecured and bear no interest. No repayments will be received during the 10-year loan fund period as all funds are to be retained in the loan fund with NESIF during the investment period.

i) 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

j) Pensions

The Community Foundation made 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.

l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Notes to the financial statements for the year ended 31 March 2017
(continued)

1 Accounting policies (continued)

m) Assets held for resale

Assets held for resale are moved from Tangible Fixed Assets or Freehold Property held within Investments and moved to current assets. Where a sale has been agreed and/or completed after the balance sheet date, the value of the current asset may be adjusted to maintain the lower of cost and net realisable value.

n) Cash at bank and in hand

Cash at Bank and In Hand and Cash on Short-term Deposit includes cash and short term highly liquid investments with a short maturity of twelve months or less from the date of acquisition or opening of the deposit or similar account.

o) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. This includes grants payable when the offer is approved and conveyed to the recipient. Creditors and provision are normally recognised at their settlement amount.

p) Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Any key judgements have been detailed in the separate accounting policies applied, including notably;

- Programme Related Investments – the Board amortise the asset balance at each year end based on their view of the recoverability of the asset. This is an estimation technique applied each year, based on unobservable factors, which results in the asset being adjusted, normally with a charge being made to the SoFA, and the Restricted Reserve balance, held in respect of the Programme Related Investment fund, being reduced.

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2017
(continued)

2 Statement of Financial Activities prior year fund comparatives

	Unrestricted funds	Restricted funds	Endowment funds	Total 2016
	£	£	£	£
Income and endowments from:				
Donations and legacies	841,326	3,588,970	6,060,013	10,490,309
Charitable activities	33,397	14,021	-	47,418
Other trading activities	6,000	37,894	-	43,894
Investment income	696,757	900,416	-	1,597,173
Total income and endowments	1,577,480	4,541,301	6,060,013	12,178,794
Expenditure on:				
Raising funds	229,238	40,287	-	269,525
Investment management costs	-	-	176,509	176,509
Charitable activities	2,139,812	5,979,479	-	8,119,291
Total expenditure	2,369,050	6,019,766	176,509	8,565,325
Net (losses)/gains on investments	-	-	(3,125,117)	(3,125,117)
Net income/(expenditure)	(791,570)	(1,478,465)	(2,758,387)	488,352
Transfers between funds	976,417	1,778,968	(2,755,385)	-
Net movement in funds	184,847	300,503	3,002	488,352
Reconciliation of funds:				
Total funds brought forward	1,633,309	3,662,658	67,070,589	72,366,556
Total funds carried forward	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 2017
(continued)

3 Charitable activities

	2017	2016
	£	£
Other charitable activities	108,365	47,418

4 Other trading activities

	2017	2016
	£	£
Fundraising event	20,680	20,704
Other trading activities	11,700	23,190
	32,380	43,894

5 Investment income

	2017	2016
	£	£
Dividends and interest from endowment fund assets	1,964,448	1,549,127
Interest receivable on cash deposits	67,815	48,046
	2,032,263	1,597,173

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2017
(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 2017 £	Total 2016 £
	£	£		
Support staff costs	31,571	123,238	154,809	152,256
Governance staff costs	10,167	39,686	49,853	48,245
Overhead costs	44,959	145,657	190,616	326,137
Governance direct costs	6,014	23,475	29,489	35,040
	92,711	332,056	424,767	561,678
Included in overhead costs are the following:			2017 £	2016 £
Auditors' remuneration – audit services			7,000	8,250
Loss on disposal of fixed assets			-	950
Depreciation			24,061	23,948

7 Costs of raising funds

	2017 £	2016 £
Staff costs	141,343	121,759
Direct costs	25,258	28,013
Support costs	92,711	119,753
	259,312	269,525

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2017
(continued)

8 Charitable activities

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

	2017	2016
	£	£
Grants payable	6,455,234	7,226,396
Staff costs	430,220	394,946
Direct costs	42,914	56,024
Support costs	332,056	441,925
	7,260,424	8,119,291

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

	2017 £	2017 Number	2016 £	2016 Number
Other charities and voluntary organisations	6,716,044	1,307	7,220,502	1,279
Individuals	109,664	202	73,805	138
Total new grants awarded in the year	6,825,708	1,509	7,294,307	1,417
Grants cancelled	(370,474)		(67,911)	
Total grant expenditure	6,455,234	1,509	7,226,396	1,417

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 2017
(continued)

9 Staff costs

Staff costs comprise the following:

	2017	2016
	£	£
Wages and salaries	678,324	626,589
Social security costs	62,132	57,798
Other pension costs	35,769	32,819
	776,225	717,206

The average number of employees, excluding Company Directors, employed by the Group during the year was 22 (2016: 21), full time equivalent 18.55 (2016: 17.79). The ratio of the highest salary to the median salary was 2.3:1 (2016: 2.3:1). Staff costs include redundancy payments of £24,000. The gross salary in the year relating to the senior members of staff responsible for the day-to-day management of the Charity was £298,727 (2016: £284,985) plus £16,980 (2016: £18,077) paid in employer pension contributions.

None of the Trustees/Board Directors received any remuneration during the year (2016: Nil). One of the Directors received reimbursements for expenses during the year totalling £288 (2016: £458).

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

	2017	2016
	Number	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 2017
(continued)

10 Investments

Endowment fund investments - Group

At valuation	Listed investments £	Deposit & other cash balances £	Freehold property £	Total £
At 1 April 2016	63,611,749	2,377,808	402,900	66,392,457
Additions/movement in the year	17,899,216	998,190	-	18,897,406
Disposals in the year	(17,930,820)	-	-	(17,930,820)
Transferred to current assets	-	-	(97,000)	(97,000)
Realised gains in the year	789,907	-	-	789,907
Unrealised gains in the year	10,271,981	-	22,000	10,293,981
At 31 March 2017	74,642,033	3,375,998	327,900	78,345,931
At cost				
At 31 March 2017	63,368,041	3,375,998	266,500	67,010,539
At 31 March 2016	59,311,733	2,377,808	285,500	61,975,041
			2017 Market Value £	2016 Market Value £
Listed investments are detailed as follows:				
UK Fixed Interest			6,418,411	5,903,888
UK Equities			25,690,517	21,928,734
Property			1,864,438	2,507,312
Overseas Fixed Interest			1,683,005	1,186,079
Overseas Equities			25,107,182	19,945,960
Collective Investment Schemes			9,895,988	8,379,981
Other			3,982,492	3,759,795
			74,642,033	63,611,749

Programme Related Investments – Charity and Group

	At 1 April 2017 £	Drawn £	Repaid £	Amortised £	At 31 Mar 2017 £
At cost and valuation					
Loan to North East Social Investment Community Interest Company (NESIC)	-	508,809	-	(50,881)	457,928

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2017
(continued)

10 Investments (continued)

Endowment fund investments - Charity

At valuation	Listed investments £	Deposit & other cash balances £	Freehold property £	Total £
At 1 April 2016	61,244,646	2,377,808	402,900	64,025,354
Additions/movement in the year	16,935,867	998,190	-	17,934,057
Disposals in the year	(16,961,467)	-	-	(16,961,467)
Transferred to current assets	-	-	(97,000)	(97,000)
Realised gains in the year	789,012	-	-	789,012
Unrealised gains in the year	9,873,912	-	22,000	9,895,912
At 31 March 2017	71,881,970	3,375,998	327,900	75,585,868

At cost

At 31 March 2017	61,099,008	3,375,998	266,500	64,741,506
At 31 March 2016	57,178,216	2,377,808	285,500	59,841,524

Listed investments are detailed as follows:

	2017 Market Value £	2016 Market Value £
UK Fixed Interest	6,080,998	5,616,112
UK Equities	24,637,326	20,933,911
Property	1,775,548	2,396,484
Overseas Fixed Interest	1,683,005	1,167,239
Overseas Equities	24,013,971	19,209,741
Collective Investment Schemes	9,784,587	8,265,796
Other	3,906,535	3,655,363
	71,881,970	61,244,646

Other investments – Charity

At cost and valuation	Unlisted investments £
At 1 April 2016	100
At 31 March 2017	100

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2017(continued)

10 Investments (continued)

Unlisted investments held by the charity relate to £100 (2016: £100) investment in the subsidiary company Tyne & Wear Foundation Limited at cost. At 31 March 2017 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.

The total funds made available to be drawn down by NESIC were £3,000,000; as at 31 March 2017 the remaining funds available to be drawn were £2,491,191. At the year end the restricted reserve balance was £2,949,119 (note 18) (2016: £Nil) which is the original funds available of £3,000,000 less the aggregate amortisation to date charged against the restricted fund. The balance on the loan fund at 31 March 2017 was £2,491,191 which is all available to be drawn down in full by NESIC during the investment period which is 10 years from 10 December 2014.

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 £3,354,931 for the full group (2016: £4,413,494). 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 2016	750,000	49,087	33,472	832,559
Additions	-	7,579	-	7,579
Disposals	-	(4,719)	-	(4,719)
At 31 March 2017	750,000	51,947	33,472	835,419
Accumulated Depreciation				
At 1 April 2015	18,750	37,748	2,891	59,389
Charge for the year	15,000	5,713	3,348	24,061
Disposals	-	(4,719)	-	(4,719)
At 31 March 2017	33,750	38,742	6,239	78,731
Net book value				
At 31 March 2017	716,250	13,205	27,233	756,688
At 31 March 2016	731,250	11,339	30,581	773,170

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2017
(continued)

12 Debtors

	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Other debtors	112,203	545,009	112,203	545,009
Dividends and interest receivable	96,092	108,762	83,709	101,740
Prepayments and accrued income	25,754	35,429	25,754	35,429
	234,049	689,200	221,666	682,178

13 Assets held for sale

	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Property	97,000	-	97,000	-

The property is a flat held on Benton Road, Newcastle upon Tyne which was left as part of a legacy gift to the Community Foundation in 1995 with a condition that the property could not be sold until the tenant no longer wished to rent it. During the year the tenant moved out and the flat was marketed for sale. A sale was agreed in June 2017 at the value above.

14 Creditors: amounts falling due within one year

	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Other creditors and accruals	670,219	1,215,239	670,219	1,215,239
Taxation and social security costs	17,622	16,969	17,622	16,969
Grants payable	1,187,421	1,412,742	1,154,648	1,404,157
	1,875,262	2,644,950	1,842,489	2,636,365

Other creditors include amounts totalling £629,833 (2016: £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.

15 Creditors: amounts falling due after more than one year

	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Other creditors and accruals	1,119,190	-	1,119,190	-

Other creditors relates to amounts due to an organisation of outstanding grant commitment transferred from Northern Rock Foundation under deeds of assignment as part of their winding up process.

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2017
(continued)

16 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.

	2017 £	2016 £
Corporation tax payable	-	-

17 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 2016	67,073,591	64,640,114
Transfers between funds:		
Total returns endowment withdrawal	(1,860,012)	(1,860,012)
Transfers to endowment from income funds	1,000	1,000
Exceptional withdrawal from endowment funds	(53,837)	(53,837)
Net income before transfers	13,504,188	13,117,937
At 31 March 2017	78,664,930	75,845,202

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 £1,860,012 and is shown as a transfer from the endowment fund. A withdrawal of £52,146 was made from the CNL Young People's Fund and £1,691 from the Jeremy Beecham Schools 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 2017
(continued)

18 Income funds - restricted

The Community Foundation receives income and donations both for general charitable purposes and also for more specific areas and issues. All grants are approved by the Board in consultation with people and companies who have set up funds within the Community Foundation for 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 2017 have received sufficient funds to return them to credit.

	At 1 April 2016 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2017 £
Frank Acfield	1,618	934	-	-	2,552
Akzo Nobel International Paint	(7)	16,217	15,050	1,300	(140)
Akzo Nobel International Paint	-	-	-	-	-
Community First	-	-	-	-	-
Amec Foster Wheeler	6,745	6,988	8,700	-	5,033
Asian	6,631	5,534	7,002	-	5,163
Stuart Ayre	-	1,782	1,782	-	-
Nancy Barbour Award	176	5,314	-	-	5,490
Barnes Grassroots	5,829	3,058	5,569	-	3,318
Sir Jeremy Beecham	(764)	1,436	3,450	(1,691)	(1,087)
Bellingham	430	2,500	3,261	-	(331)
Berwick Academy Endowment	18,665	8,591	5,000	-	22,256
Blackett Family Community	-	-	-	-	-
First	1,090	2,350	3,893	-	(453)
Enid Blyton Fund for Seven	-	-	-	-	-
Stories	-	41,334	41,334	-	-
Bowey Community First	2	-	-	-	2
Ron & Louise Bowey	-	-	-	-	-
Grassroots	3,498	11,845	14,996	-	347
Carolyn and Tony Brookes	-	265	-	-	265
Burnell Community First	-	-	-	-	-
Lawrence Campbell	-	-	-	-	-
Community First	1,876	2,807	5,049	-	(366)
Canford Audio	545	443	988	-	-
Capacitybuilders CPP	5,458	-	-	-	5,458
Chapman	(4,074)	23,912	20,434	-	(596)
CNL Young People's	1	2,113	42,967	(41,597)	744
Comic Relief	5,517	-	-	-	5,517
Comic Relief Community Cash	67,900	-	54,314	13,534	52
Comic Relief Local	-	-	-	-	-
Communities	38,498	36,269	73,701	1,066	-
Comic Relief Large Grant	11	-	-	-	11
Community Ventures	217	-	-	-	217
Sir Tom Cowie	35,288	69,222	62,421	-	42,089
Stephen & Abigail Crampton	565	1,355	925	-	995
Culture Partnerships	71,713	24,665	150	18,261	77,967
John D Grassroots	2,389	9,721	9,549	-	2,561
Duncan & Sarah Davidson	851	3,229	2,225	-	1,855
Pamela and Dorothy Denham	3,830	2,033	4,600	-	1,263
Pamela Denham Community	-	-	-	-	-
First	-	-	-	-	-
Pamela Denham Grassroots	1,666	467	-	-	2,133
Carried forward	276,164	284,384	387,360	(9,127)	182,315

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2017
(continued)

18 Income funds - restricted (continued)

	At 1 April 2016	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2017
	£	£	£	£	£
Brought forward	276,164	284,384	387,360	(9,127)	182,315
David Dockray's West End					
Young People's	1,654	43,315	44,402	-	567
The Edwin John Easydorchik					
Travelling Scholarship	-	1,070	-	-	1,070
Enviresearch	9,000	-	7,978	-	1,022
ESF Community Grants	260	(500)	(240)	-	-
Evangelical	2,357	7,859	4,147	-	6,069
Evening Chronicle Sunshine	-	5,946	5,946	-	-
Express Enterprise	7,492	1,104	8,525	-	71
Esmée Fairbairn North East	69,401	-	49,259	-	20,142
FARNE	35,093	14,459	27,013	-	22,539
David & Gitta Faulkner	3,125	1,365	3,650	-	840
Fergusons of Blyth	(642)	10,304	-	-	9,662
Fogo Community First	-	-	-	-	-
Fogo Grassroots	4,108	16,341	7,460	-	12,989
Fourteen	43,827	127,238	150,960	(16,085)	36,190
Gateshead Capacity Building	-	142,334	229,139	23,112	(109,917)
Give2 Gateshead	1,597	2,271	1,160	-	2,708
Give2 Newcastle	13,715	5,432	10,910	-	8,237
Give2 North Tyneside	526	1,309	750	(1,044)	2,129
Give2 Northumberland	3,191	1,201	4,376	-	16
Give2 South Tyneside	663	1,619	1,900	-	382
Give2 Sunderland	14,435	6,678	15,651	-	5,462
David Goldman Awards	453	27,870	28,694	-	(371)
Allison Greenlees Continuation	-	5,753	3,000	2,753	-
The EDF Energy Green Rigg					
Wind Farm Community Benefit	28,081	39,600	33,760	7,200	26,721
Green Scheme	33,299	-	33,299	-	-
Jackie Haq Fund for Scotswood	1,481	1,543	500	-	2,524
Heyman Scholarships	14,316	5,258	(1,864)	-	21,438
Joy Higginson	2,577	1,191	2,500	-	1,268
High Sheriff of Northumberland	11,379	41,916	45,250	4,241	3,804
Hokey Cokey Community First	-	-	-	-	-
Hoult Family Community First	-	-	-	-	-
Hoult Family Grassroots	819	1,818	500	-	2,137
The HunterPemberton					
Community First	334	1,537	-	-	1,871
If only... Grassroots	4,581	1,035	-	-	5,616
Josephs Family	305	1,244	1,600	-	(51)
JPMorgan	14,511	2,284	16,375	-	420
Kellett	560,743	354,674	357,804	10,000	547,613
Kerry Community First	1,646	1,259	1,850	-	1,055
Kerry Grassroots	830	3,062	950	-	2,942
June King	-	2,057	2,057	-	-
Latterford	173	585	500	-	258
Lendrum Community First	59	1,737	1,125	-	671
Linden Community First	-	-	-	-	-
Carried forward	1,161,553	1,168,152	1,488,246	21,050	820,409

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2017
(continued)

18 Income funds - restricted (continued)

	At 1 April 2016 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2017 £
Brought forward	1,161,553	1,168,152	1,488,246	21,050	820,409
Local Environmental Action	30,501	102,935	94,952	(13,217)	51,701
Fausta and Rosemary Community First	-	-	-	-	-
George Loggie	7,656	1,165	-	-	8,821
Lady Betty Martin Fund within the North East Fund for the Arts	1,340	6,564	7,904	-	-
Maudslay Family Grassroots	1,594	1,324	2,000	-	918
Grigor McClelland Community First	804	-	-	-	804
Muckle LLP Grassroots	230	6,937	5,501	(158)	1,824
Nash	1,391	5,597	6,135	-	853
NEF Grassroots	-	1,590	-	-	1,590
New Beginnings	-	40,038	35,238	-	4,800
Newcastle Culture Investment	320	614,913	592,293	22,500	440
North East Endowment for Musical Traditions	-	3,000	-	-	3,000
North East Fund for the Arts	2,971	4,032	7,000	-	3
North East Social Investment	-	3,000,000	-	50,881	2,949,119
Northern Angel	2,036	5,166	4,750	517	1,935
Northern Powergrid Community Energy Seed	16,621	(22,621)	(6,000)	-	-
Northern Rock Foundation	-	-	(315,000)	-	315,000
Legacy Grants	-	-	-	-	(193)
North Tyneside	67	1,541	1,801	-	-
North Tyneside Women's Aid	6,550	-	6,550	-	-
Northumberland Group	2,428	31,899	37,049	-	(2722)
Out & About	95,584	130,031	179,311	22,730	23,574
P&G Grassroots	-	3,753	3,895	-	(142)
Partnership programme	132,659	111,075	32,780	104,014	106,940
Patch	17,787	14,445	12,000	-	20,232
Pea Green Boat Community First	40,992	28,741	64,232	-	5,501
Pen & Palette Club Fund within the North East Fund for the Arts	1,124	4,568	4,490	-	1,202
Percy Family	(312)	4,882	-	-	4,570
Philanthropy House	749,893	-	-	-	749,893
Platten Family Community First	88,986	26,330	85,995	-	29,321
Port of Tyne Community Action	5,329	22,250	22,820	2,430	2,329
Prime Grassroots	4,401	15,473	22,818	-	(2,944)
Prudhoe League of Friends	2,583	3,497	-	-	6,080
Readman Community First	-	45	-	-	45
Readman Family Grassroots	78,990	66,615	55,647	-	89,958
Readman Foundation	275,091	2,086	-	-	277,177
Carrie Reay Grassroots	1,359	3,608	2,320	-	2,647
REEDS Community First	-	-	-	-	-
REEDS Grassroots	20,858	14,146	10,908	-	24,096
Riddell Family Community First	-	15,233	16,526	-	(1,293)
Riding Grange Grassroots	729	3,085	2,300	-	1,514
Jane Robertson Alnwick	726	733	720	-	739
Carried forward	2,752,841	5,442,828	2,485,181	210,747	5,499,741

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2017
(continued)

18 Income funds - restricted (continued)

	At 1 April 2016	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2017
	£	£	£	£	£
Brought forward	2,752,841	5,442,828	2,485,181	210,747	5,499,741
Brian Roycroft	1,522	5,503	5,016	103	1,906
RWE Innogy UK Middlemoor					
Wind Farm Community	71,486	93,989	138,947	9,399	17,129
Sage Gateshead	6,621	669,439	685,025	-	(8,965)
Share Family	191	-	-	-	191
Shears Grassroots	-	6,226	7,338	-	(1,112)
Smail Family	1,723	2,384	2,500	-	1,607
Henry Smith Charity	1,028,900	802,700	1,233,100	-	598,500
Sport Relief	5,616	-	-	-	5,616
Spriggs Family Community					
First	-	-	-	-	-
Trikoli & Shohba Srivastava					
Community First	-	-	-	-	-
Sunderland Industrial &					
Reformatory School	2,333	1,233	880	-	2,686
Surviving Winter	1,132	447	1,427	-	152
Suz Grassroots	-	1,747	-	-	1,747
Taylor	537	19,128	20,470	-	(805)
Third Sector Trends	-	-	30,000	(40,000)	10,000
Thornton Family Grassroots	2,250	3,805	4,211	-	1,844
Three Valleys	577	2,107	-	-	2,684
Three Valleys Grassroots	7,176	7,314	5,688	-	8,802
Tiny Lives	-	86,380	86,380	-	-
Treeline Grassroots	490	750	1,000	-	240
Tyne & Wear High Sheriff					
Awards	9,557	49,403	39,500	3,618	15,842
Tyne & Wear High Sheriff					
Community First	-	-	-	-	-
Tyne & Wear Grassroots	-	796	882	-	(86)
Vicky Grassroots	-	1,472	-	-	1,472
Virgin Money	1006	3,413	-	-	4,419
Vital Signs Durham and Tees					
Valley	-	-	-	(19,000)	19,000
Ted Weekes	(6)	12,629	14,133	6	(1,516)
The Wellesley Trust	2,998	275,597	256,775	(671)	22,491
The Wellesley Trust					
Community First	-	671	-	671	-
Winter Family Grassroots	78	7,301	6,123	-	1,256
CH Wood	-	4,823	5,000	-	(177)
Women's	12,694	53,549	42,508	6,288	17,447
Women's Community First	-	-	-	-	-
Young Musician's	2,676	5,207	6,091	-	1,792
Youth Social Action	-	55,000	-	-	55,000
Total Community Foundation	3,912,398	7,615,841	5,078,175	171,161	6,278,903
Joseph Brough Charitable Trust	23,498	42,209	68,366	30	(2,689)
Tyne and Wear Foundation					
Trust	27,295	21,603	18,147	-	30,751
Tyne & Wear Foundation					
Limited	(30)	-	-	-	(30)
Total Group	3,963,161	7,679,653	5,164,688	171,191	6,306,935

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2017
(continued)

18 Income funds - restricted (continued)

Income and transfers include credits of £1,052,511 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 £38,412, staff costs of £109,626, amortisation of Programme Related Investments of £50,881 and other fund expenses and fundraising event costs of £49,096. 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, Tiny Lives fund includes income from the Moor fund and High Sheriff of Northumberland Youth fund includes income from the Burnell Family and Community First funds.

19 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 2017 have received sufficient funds to return them to credit.

	At 1 April 2016 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2017 £
Adderstone	3,077	11,715	-	-	14,792
Anonymous	14,773	4,268	11,435	7,606	-
Anonymous	1,055	3,143	2,800	-	1,398
Appletree	(560)	6,893	5,500	-	833
Barley Hill	1,962	3,754	1,962	-	3,754
Barnes	2,438	3,214	5,974	-	(322)
Christopher Beadle	307	1,284	-	-	1,591
Charles Robert Bell	2,820	11,656	14,476	-	-
John Bell	12,118	63,490	73,192	-	2,416
Bellway	1,065	1,627	1,750	-	942
Benfield Motors	1,970	2,747	-	-	4,717
Bonas Machine Company	562	1,008	1,200	-	370
Ron and Louise Bowey	5,617	36,946	44,035	-	(1,472)
The Muriel Campbell	-	1,323	1,323	-	-
Carr-Ellison Charitable Trust	3,238	13,726	13,250	-	3,714
Chrysalis	784	1,397	-	-	2,181
Combatting Isolation	-	150,000	-	-	150,000
Daphne & Martin Cookson	-	2,068	-	-	2,068
Roland Cookson	10,692	63,723	57,358	17,057	-
Roland Cookson Community	-	5,278	200	(14,687)	19,765
Coquet	-	10,000	-	1,000	9,000
Crozier	-	1,091	-	1,091	-
John D Endowment	-	2,472	1,820	-	652
Death of a Nightingale	2,442	-	-	-	2,442
Dickon Trust	4,926	70,298	79,830	0	(4,606)
The EDF Energy Renewables Barmoor Windfarm					
Community Benefit	62,983	67,263	46,700	6,726	76,820
Fogo	5,054	11,357	9,310	-	7,101
John Paul Getty Jnr	100,000	-	-	-	100,000
Carried forward	237,323	551,741	372,115	18,793	398,156

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2017
(continued)

19 Income funds - unrestricted (continued)

	At 1 April 2016	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2017
	£	£	£	£	£
Brought forward	237,323	551,741	372,115	18,793	398,156
Gateshead Housing					
Company Community	1	113,500	34,095	10,500	68,906
George & Peggy	(4)	4,480	5,630	-	(1,154)
Michael & Christine Heppell	12,263	3,119	10,000	1,000	4,382
The Hokey Cokey (that's what it's all about)	2,528	1,914	3,680	-	762
I'Anson Family	467	2,721	1,000	-	2,188
If only...	1,156	466	-	-	1,622
RWE Innogy UK Kiln Pit					
Hill Wind Farm Community	659	17,797	16,664	1,780	12
Sir James Knott	-	2,141	2,141	-	-
John Laing	1,315	4,986	6,300	-	1
William Leech Charity	49,635	21,439	20,000	-	51,074
Leech Challenge	5,718	3,154	5,000	-	3,872
Linden Family	(14)	70,251	71,946	-	(1,709)
Helen McArdle	6,261	-	-	-	6,261
Grigor McClelland	28,912	12,502	5,000	-	36,414
Daisy Marr	4,199	28,810	19,567	-	13,442
Lily Matthews	12,770	-	-	-	12,770
David Mattu	1,250	-	-	-	1,250
Maudslay Family	826	562	-	-	1,388
G S May Family	1,627	5,974	-	-	7,601
McIntosh	-	576	-	-	576
Medics for the Community	520	268	-	-	788
Muckle LLP	12,151	25,087	26,322	1,394	9,522
Ronald Edward Murray	-	76,862	-	-	76,862
Newcastle Brown Ale	111	24,929	23,040	2,000	-
Newcastle Building Society					
Community	9,510	7,630	18,000	-	(860)
Emma Newton	1,589	4,844	5,150	-	1,283
North 150	-	30,000	26,754	3,000	246
North East Brewers	4,257	6,184	12,480	-	(2,039)
Northern Powergrid	42	15,973	16,015	-	-
Northumbrian Water	3	5,767	5,770	-	-
Pattinson Estate Agents	-	1,720	-	-	1,720
Philanthropy North East					
Story	-	1,000	-	-	1,000
Platten Family	582,284	1,790	157,492	14,917	411,665
PricewaterhouseCoopers	1,843	1,838	2,750	-	931
Prime	1,279	12,102	14,094	-	(713)
P&G	-	51,980	53,996	-	(2,016)
Guy Readman endowment	47,413	116,877	-	-	164,290
Ringtons	7,839	44,287	38,236	-	13,890
Rolls-Royce	3,635	1,417	4,500	-	552
St Cuthbert's	3,760	1,159	-	-	4,919
Sage Community	20,786	-	19,742	1,044	-
Henry Smith Charity North					
East Grants	(74,822)	157,500	150,185	7,500	(75,007)
Johnnie & Tricia Smith	810	3,379	3,000	-	1,189
Carried forward	989,902	1,438,726	1,150,664	61,928	1,216,036

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2017
(continued)

19 Income funds - unrestricted (continued)

	At 1 April 2016 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2017 £
Brought forward	989,902	1,438,726	1,150,664	61,928	1,216,036
Barry & Faga Speker	1,957	1,222	2,600	-	579
Spriggs Family	1,052	134	-	-	1,186
Square One Law	-	25,000	7,000	3,000	15,000
Star	681	9,698	6,950	1,250	2,179
TESS	3,512	2,868	5,000	-	1,380
Treeline	1,232	2,574	2,350	-	1,456
Vaux	-	8,219	8,500	-	(281)
Ward Hadaway	2,564	4,179	4,800	288	1,655
Watkin Family	208	27,894	25,500	-	2,602
Watson Family	8,476	-	6,111	-	2,365
Willis Charitable	811	799	500	-	1,110
The Lucy Winskell	-	299	-	-	299
Winter Family	17	7,148	6,019	-	1,146
Robert Wood Trust	2	4,349	4,351	-	-
Other general grant-making funds	256,133	153,794	60,201	104,113	245,613
Total designated funds	1,266,547	1,686,903	1,290,546	170,579	1,492,325
Administrative fund	551,609	728,634	-	720,776	559,467
Total Community Foundation	1,818,156	2,415,537	1,290,546	891,355	2,051,792
Total Group	1,818,156	2,415,537	1,290,546	891,355	2,051,792

Income and transfers include £807,501 transferred from the main and ethical endowment funds to distribute as income on a total returns basis. Other outgoings and transfers consist of credits of £14,425 transferred between funds, less £666,599 staff costs, £2,701 designated fund expenses and other net administrative costs of £236,480.

A number of funds contribute to the Community Foundation's general unrestricted grant fund, including Crozier, Ian and Jane Gregg, Greggs plc, Sandra King Rainy Day, 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 16 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.

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2017
(continued)

20 Analysis of net assets between funds

Group

	Unrestricted funds	Restricted funds	Endowment funds	2017 Total
	£	£	£	£
Investments	-	457,928	78,345,931	78,803,859
Tangible fixed assets	40,438	716,250	-	756,688
Current assets	2,305,092	7,832,936	319,534	10,457,562
Current liabilities	(293,738)	(1,580,989)	(535)	(1,875,262)
Creditors due after one year	-	(1,119,190)	-	(1,119,190)
Total net assets	2,051,792	6,306,935	78,664,930	87,023,657

Charity

	Unrestricted funds	Restricted funds	Endowment funds	2017 Total
	£	£	£	£
Investments	-	458,028	75,585,868	76,043,896
Tangible fixed assets	40,438	716,250	-	756,688
Current assets	2,305,092	7,772,031	259,869	10,336,992
Current liabilities	(293,738)	(1,548,216)	(535)	(1,842,489)
Creditors due after one year	-	(1,119,190)	-	(1,119,190)
Total net assets	2,051,792	6,278,903	75,845,202	84,175,897

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 £35,769 (2016: £32,819). Outstanding contributions at 31 March 2017 were £450 (2016: £653).

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2017
(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 £10,811,760 (2016: £12,130,266) and its net income for the year was £13,805,229 (2016: £578,974) after the addition of gains on investments of £10,634,043 (2016: £3,039,540 losses).

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
	2017	2016
	£	£
Turnover	-	-
Cost of sales	-	-
Operating profit	-	-
Administrative costs	-	-
Net profit	-	-

The aggregate of the assets and liabilities was:	Total	Total
	2017	2016
	£	£
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 2017
(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
	2017	2016
	£	£
Investment income	47,209	33,418
Charitable activities	(73,396)	(38,765)
Investment management costs	(5,499)	(1,958)
Gains on investments	293,554	(60,844)
Net movement in funds	261,868	(68,149)

The aggregate of the assets, liabilities and funds was:

	Total	Total
	2017	2016
	£	£
Assets	1,975,087	1,689,071
Liabilities	(24,148)	-
Funds	1,950,939	1,689,071

Represented by:

	Total	Total
	2017	2016
	£	£
Permanent endowment fund	1,953,628	1,665,573
Restricted funds	(2,689)	23,498
Funds	1,950,939	1,689,071

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2017
(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
	2017	2016
	£	£
Investment income	28,363	27,555
Investment management costs	(7,214)	(7,175)
Charitable activities	(24,907)	(18,120)
Gains on investments	105,410	(24,733)
Net movement in funds	101,652	(22,473)

The aggregate of the assets, liabilities and funds was:

	Total	Total
	2017	2016
	£	£
Assets	905,476	803,784
Liabilities	(8,625)	(8,585)
Funds	896,851	795,199

Represented by:

	Total	Total
	2017	2016
	£	£
Permanent endowment fund	866,100	767,904
Restricted funds	30,751	27,295
Funds	896,851	795,199

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2017
(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 £188,943 to the Community Foundation during the year (2016: £44,952), to named endowment and revenue funds. Other transactions with related parties, all of which were carried out at an arms-length basis, are £94 paid to NCVO for training (Sally Young is a Trustee), £944 paid to International Centre for Life for event costs (Fiona Cruickshank OBE and Lucy Winskell OBE are Trustees) and £170 paid to Northumbria University for event costs (Lucy Winskell OBE is an employee).

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

Organisation	Director involved	Relationship	Total grants £
Changing Lives	Jo Curry	Employee	3,900
Charlotte Straker Project	Lady Blackett	Trustee	51,858
International Centre for Life	Fiona Cruickshank OBE and Lucy Winskell OBE	Trustees	9,768
Live Theatre	Lucy Winskell OBE	Trustee	20,150
Newcastle University	Charles Harvey	Employee	74,513
Northumbria University	Lucy Winskell OBE	Employee	12,918

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2017
(continued)

24 Cash flow information for the Group

Reconciliation of net income to net cash flow from operating activities

	2017 £	2016 £
Net income for the year	14,168,749	488,352
Adjustments for:		
Receipt of endowment	(2,640,394)	(6,060,013)
Depreciation charges	24,061	23,948
(Gains)/losses on endowment investments	(11,083,888)	3,125,117
Losses on programme related investments	50,881	-
Dividends and interest from investments	(2,032,263)	(1,597,173)
Loss on sale of fixed assets	-	950
Decrease/(increase) in debtors	455,151	(214,936)
Increase in creditors	349,502	1,441,432
Net cash used in operating activities	(708,201)	(2,792,323)

Analysis of cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	5,126,513	3,645,031
Short-term deposits	5,000,000	4,000,000
Total cash and cash equivalents	10,126,513	7,645,031

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.