

Community Foundation

serving Tyne & Wear and Northumberland

(A company limited by guarantee)

Annual financial statements for the year ended 31 March 2018

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 2018

Contents

Annual report for the year ended 31 March 2018.....	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 2018	17
Consolidated income and expenditure account for the year ended 31 March 2018	18
Balance sheets as at 31 March 2018.....	19
Consolidated cash flow statement for the year ended 31 March 2018	20
Notes to the financial statements for the year ended 31 March 2018	21

Community Foundation

serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2018

Introduction

The Board present their report and the audited consolidated financial statements for the year ended 31 March 2018.

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 2018 (continued)

Advisers

Independent 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 2018 (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 Board carried out a review of the governing document during the year and revised Articles were adopted by the membership at the 2017 Annual General Meeting which reflected changes in charity and company legislation and to reduce the overall size of the Board. A revision to the Charity's objects which has been approved by the Charity Commission will be presented as a resolution to the 2018 Annual General Meeting.

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 two members to the Board except for Category C, where Board members are appointed by mutual consent. The Board may co-opt up to five 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/appointed for two further periods of three years each. However, Board members do not normally serve for a third term unless they have been appointed as officers, or chair sub-committees, of the Board.

There are arrangements for induction, training and support of Board members, which are reviewed by the Finance and Operations Committee. Each new Board Member is given a standard induction pack and attends an induction session with the executive team and meets the Chair. The Finance and Operations Committee reviews training needs of the Board members and arranges training as required. The involvement of Board members is reviewed by the 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 2018 (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)
- 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:

Fiona Cruickshank OBE – Chair elected November 2011	(F&O)
Jo Curry – Deputy Chair co-opted October 2008, elected November 2010, retired November 2017	(F&O)
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)
Paul Farquhar co-opted March 2018	(F&O, Inv)
Andrew Haigh elected December 2016	(Inv)
Nick Hall appointed October 2013 to represent statutory authorities, retired November 2017	(Audit)
Professor Charles Harvey co-opted October 2008, retired November 2017	(Audit)
Jon Mallen-Beadle appointed March 2018 to represent statutory authorities	(F&O)
Patrick Melia appointed December 2016 to represent statutory authorities	(Inv)
Sharon Spurling elected October 2014	(Audit)
Jane Robinson appointed March 2012 to represent statutory authorities, co-opted November 2016	(F&O)
Neil Warwick OBE co-opted December 2015, elected November 2016	(Audit)
Lucy Winskell OBE elected December 2016	(Audit)
Sally Young elected October 2014	(Audit)

Community Foundation

serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2018 (continued)

Structure, governance and management (continued)

Alastair Conn and Jane Robinson will retire at the 2018 Annual General Meeting having served a full term of nine years and six years respectively. Sharon Spurling will stand down having served four years.

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 the executive team. 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 executive team members responsible for day-to-day management of the Charity as delegated by the Board were:

Rob Williamson	Chief Executive Officer
Sandra King	Chief Philanthropy Officer
Sonia Waugh	Chief Finance and Operating Officer
Adam Lopardo	Director of External Relations
Mark Pierce	Director of Community Knowledge and Funding

At the year-end there was a total of 24 staff (full time equivalent 21.7).

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 2018 (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 change lives in Tyne & Wear and Northumberland, and across North East England, by matching generous people to important causes in the community. To do this, the Community Foundation focuses on:

- giving and philanthropy: helping anyone become a philanthropist by starting a fund or giving collectively with like-minded others;
- funding and support: finding and supporting effective voluntary groups and talented people through the funds set up by donors and partners;
- knowledge, leadership and profile: using its expertise and reach to benefit communities by shining a light on vital issues and working with others to make change happen.

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

2017-18 was the second year of the Community Foundation's 2016-20 strategy which sets out the Board's 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.

Community Foundation

serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2018 (continued)

Strategic report (continued)

Achievements and performance (continued)

Achievements during 2017-18 against the strategic outcomes and aims as reviewed by the Board in March 2018 are set out below. More detailed descriptions of activities and their impact are included in the Community Foundation's yearbook.

Philanthropy and giving

- £1.1m in endowment gifts and £1.0m in revenue gifts were received.
- 7 new funds were established.
- 13 new legacy notifications were received.
- A new Growth Plan was adopted and resourced.
- Crowdfunding initiative piloted through the Newcastle Culture Investment Fund in partnership with Newcastle City Council.

Funding and support

- 1,789 grants (2017: 1,509) totalling £7.69m (2017: £6.83m) were awarded, exceeding the target of £7.4m. 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 £1.26m with the Henry Smith Charity. The table below shows the breakdown by fund type.

Fund type	No of grants	Total awards
Individual and family funds	600	2,037,019
Corporate funds	335	820,888
Charity and trust funds	269	915,538
Theme and affinity funds	237	346,707
Programme and partnership funds	330	2,586,501
Agency funds (benefiting a named organisation)	18	982,158
Total grants awarded by the full Group	1,789	7,688,811

- Success rates for applications rose to 64%
- 6 'Time to Talk' sessions for grantees were held and 15 funding events attended.
- 44 grant review visits were conducted.
- Funding was delivered for partners 14, Comic Relief, NCIF, Gateshead Council, LEAF, iWill.
- Grant-making support services were delivered for Northstar Foundation, 1989 Willan Charitable Trust, Ridley Family Charity, Sage Foundation and Northern Gas Networks.
- 6 trustee matches made through our brokerage scheme and pro bono consultancy provided to 10 groups.

Community Foundation

serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2018 (continued)

Strategic report (continued)

Achievements and performance (continued)

Knowledge, leadership and profile

- New communications strategy implemented including new website and brand materials.
- *Third Sector Trends Study* published.
- *Vital Signs North East* published.
- Partnered in North East Funders network and inaugural North East Fundraising Conference.
- Spoke/wrote for national bodies including the Association of Charitable Foundations, Third Sector Magazine, Alliance Magazine, Kent University.
- Hosted learning visits from 6 other UK community foundations and played leading role in national conference including chairing final plenary session.

Governance and operations

- Governance review undertaken and implemented, and new Articles adopted.
- Recruited new treasurer.
- Conducted Board skills/effectiveness survey.
- 79% of core costs covered by fund contributions.
- Began operational effectiveness project.
- Updated data protection policy and procedures in line with GDPR and ensured compliance with fundraising regulations.
- Passed 4th round of national independent quality accreditation for community foundations with a maximum possible score and exemplar status in all areas assessed.

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 2018 (continued)

Strategic report (continued)

Fundraising (continued)

During the year the Community Foundation continued with a 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 if requested.

Programme related investments

Northern Rock Foundation (NRF) was 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 NRF its 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 2018 were £86.06m (2017: £87.02 m). £77.57m of the assets related to endowment funds (2017: £78.66m). The total unrealised and realised gains on investments amounted to £0.56m (2017: £11.03m gain). There were new donations to the endowment funds during the year of £1.11m (2017: £2.64m), and fees and transfers out of endowment of £2.81m (2017: £1.91m). 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 3.6% compared to benchmark 2%. The Board were content with performance on the other smaller funds.

Total income and endowment for the year totalled £7.47m (2017: £10.88m). The main sources of income were new donations and investment income. The main resources expended were for charitable grants of £7.60m net (2017: £6.46m 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 2018 (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 2018 of £1,832,735 includes £1,196,198 set aside for designated funds which are solely for future grant-making, and the balance of £636,537 less fixed assets of £39,360, £597,177, is the general reserve available to meet future administration and development expenditure.

The Board reviewed its reserve level during the year and designated £6,000 of the general reserves to cover installation of a new boiler in 2018 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 £578,177 which was within the range between the minimum level calculated of £375,000 and the maximum £626,000.

Plans for future periods

In March 2018 the Board approved priorities for year three 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 2018-19 are shown below.

KEY PERFORMANCE INDICATORS	2018-19 TARGET
Year-end endowment value	£82.0m
Total endowment gifts	£3.5m
Total revenue gifts	£1.1m
Programme funds received	£2.6m
Total grants awarded	£7.6m
Success rate of external applications	60%
Minimum grant value per capita for each LA area excl. programmes	£1.00
Total return on investment	6% +CPI
Year-end operating budget result	Breakeven
Proportion of core costs covered by fund contributions	88%
Cost of raising funds as % of expenditure	4%

Community Foundation

serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2018 (continued)

Strategic report (continued)

Principal risks and uncertainties

The Board receives an annual assessment of risk prepared by the executive team 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 2018 were:

- Losing significant asset value
- Inadequate capacity to deliver
- Not being able to offer strategic funding or support
- Key audiences not knowing about us

The Board reviews controls already in place for mitigating risks and identifies further treatment or monitoring required to manage the identified risks. The first risk noted above is 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 invested in a time limited operational effectiveness review to help mitigate the second risk. At the Board's away day in January 2018 it agreed priorities for grant making and a more focused approach to spending delegated funds to focus more on strategic funding and support. A communications strategy was implemented during the year which included a rebrand and new website.

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;

Community Foundation
serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2018 (continued)

Strategic report (continued)

Statement of trustees' responsibilities (continued)

- 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 to our auditors

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

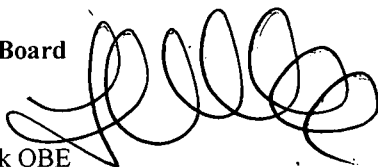
- there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the group's auditors are unaware; and
- the trustees, having made enquiries of fellow directors and the group's auditors that they ought to have individually taken, have 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 auditors are 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

18 September 2018

Community Foundation

serving Tyne & Wear and Northumberland

Independent Auditor's Report to the Members of Community Foundation serving Tyne & Wear and Northumberland

We have audited the financial statements of Community Foundation serving Tyne & Wear and Northumberland (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2018, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2018 and of the group's results 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Community Foundation
serving Tyne & Wear and Northumberland

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters 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 Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Report.

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

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

Community Foundation

serving Tyne & Wear and Northumberland

Independent Auditor's Report to the Members of Community Foundation serving Tyne & Wear and Northumberland (continued)

Responsibilities of trustees

As explained more fully set out on page 12, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charitable company to cease to continue as a going concern.

Community Foundation
serving Tyne & Wear and Northumberland

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of report

This report is made solely to the charitable parent company's trustees, 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 group's trustees 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 parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Brown ACA (Senior Statutory Auditor)

For and on behalf of Tait Walker LLP, Statutory Auditor

Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 25.9.18

Community Foundation
serving Tyne & Wear and Northumberland

**Consolidated statement of financial activities
for the year ended 31 March 2018**

	Notes	Unrestricted funds	Restricted funds	Endowment funds	Total 2018	Total 2017
		£	£	£	£	£
Income and endowments from:						
Donations and legacies		517,060	3,444,316	1,106,213	5,067,589	8,702,564
Charitable activities	3	24,925	43,000	-	67,925	108,365
Other trading activities	4	6,750	16,073	-	22,823	32,380
Investment income	5	1,052,678	1,255,951	-	2,308,629	2,032,263
Total income and endowments		1,601,413	4,759,340	1,106,213	7,466,966	10,875,572
Expenditure on:						
Raising funds	7	241,066	35,091	-	276,157	259,312
Investment management costs		-	-	252,113	252,113	220,094
Charitable activities	8	2,556,296	5,905,311	-	8,461,607	7,260,424
Total expenditure		2,797,362	5,940,402	252,113	8,989,877	7,739,830
Net (losses)/gains on investments		-	(52,568)	610,472	557,904	11,033,007
Net (loss)/income		(1,195,949)	(1,233,630)	1,464,572	(965,007)	14,168,749
Transfers between funds		976,892	1,585,449	(2,562,341)	-	-
Net movement in funds		(219,057)	351,819	(1,097,769)	(965,007)	14,168,749
Reconciliation of funds:						
Total funds brought forward		2,051,792	6,306,935	78,664,930	87,023,657	72,854,908
Total funds carried forward		1,832,735	6,658,754	77,567,161	86,058,650	87,023,657

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 2018**

	Notes	2018 £	2017 £
Income - continuing operations			
Donations and legacies		3,961,376	6,062,170
Charitable activities		67,925	108,365
Other trading activities		22,823	32,380
Investment income	5	2,308,629	2,032,263
		6,360,753	8,235,178
Expenditure - continuing operations			
Grants	8	7,598,945	6,455,234
Staff costs	9	815,311	776,225
Other costs		323,508	288,277
		8,737,764	7,519,736
Net loss on investments		(52,568)	(50,881)
Net (expenditure)/income for the year before transfers and taxation		(2,429,579)	664,561
Transfer from endowment fund		2,562,341	1,912,849
Taxation	16	-	-
Net surplus for the year		132,762	2,577,410

The total income of £6,360,753 comprises £1,601,413 for unrestricted funds and £4,759,340 for restricted funds as shown in the statement of financial activities. The total expenditure of £8,737,764 comprises £2,797,362 for unrestricted funds and £5,940,402 for restricted funds as shown in the statement of financial activities.

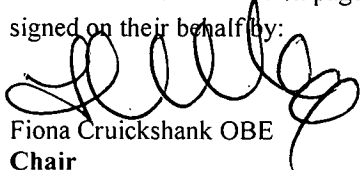
Community Foundation
serving Tyne & Wear and Northumberland

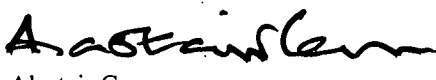
Balance sheets as at 31 March 2018

Registered company number 02273708

	Notes	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Fixed assets					
Endowment fund investments	10	77,458,589	78,345,931	74,725,711	75,585,868
Programme related and other investments	10	422,235	457,928	422,335	458,028
Tangible assets	11	740,610	756,688	740,610	756,688
Total fixed assets		78,621,434	79,560,547	75,888,656	76,800,584
Current assets					
Debtors	12	202,715	234,049	191,423	221,666
Assets held for sale	13	-	97,000	-	97,000
Cash on short-term deposit		5,000,000	5,000,000	5,000,000	5,000,000
Cash at bank and in hand		5,084,273	5,126,513	5,001,668	5,018,326
Total current assets		10,286,988	10,457,562	10,193,091	10,336,992
Creditors: amounts falling due within one year	14	(1,791,202)	(1,875,262)	(1,767,313)	(1,842,489)
Net current assets less current liabilities		8,495,786	8,582,300	8,425,778	8,494,503
Total assets less current liabilities		87,117,220	88,142,847	84,314,434	85,295,087
Creditors: amounts falling due after more than one year	15	(1,058,570)	(1,119,190)	(1,058,570)	(1,119,190)
Total assets		86,058,650	87,023,657	83,255,864	84,175,897
The funds of the charity:					
Endowment funds	17	77,567,161	78,664,930	74,806,143	75,845,202
Restricted income funds	18	6,658,754	6,306,935	6,616,986	6,278,903
Unrestricted income funds	19	1,832,735	2,051,792	1,832,735	2,051,792
Total charity funds		86,058,650	87,023,657	83,255,864	84,175,897

The financial statements on pages 17 to 48 were approved by the Board on 18 September 2018 and were signed on their behalf by:


Fiona Cruickshank OBE
Chair


Alastair Conn
Treasurer

Consolidated cash flow statement for the year ended 31 March 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Net cash used in operating activities	24	(5,023,663)	(708,201)
Cash flows from investing activities:			
Dividends and interest from investments		2,308,629	2,032,263
Purchase of fixed assets		(8,048)	(7,579)
Proceeds from the sale of investments		16,426,462	17,930,820
Proceeds of assets held for resale		93,690	-
Purchase of investments		(14,928,648)	(18,897,406)
Programme related investments drawn down		(16,875)	(508,809)
Net cash provided by investing activities		3,875,210	549,289
Cash flows from financing activities:			
Receipt of endowment		1,106,213	2,640,394
Net cash provided by financing activities		1,106,213	2,640,394
Change in cash and cash equivalents in the year		(42,240)	2,481,482
Cash and cash equivalents at the beginning of the year	24	10,126,513	7,645,031
Cash and cash equivalents at the end of the year	24	10,084,273	10,126,513

Notes to the financial statements for the year ended 31 March 2018

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 2018
(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 £2,125,839 (2017: £1,860,012) in excess of investment income, was transferred from the main and ethical endowment funds to restricted (£1,142,455) and unrestricted (£983,384) funds in the year. A separate agreement operates for Community First funds and any gain above indexed adjusted value is withdrawn from the funds and £369,307 was withdrawn during the year.

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 2018 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.

Notes to the financial statements for the year ended 31 March 2018
(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) its 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 since the transfer, another £259,870 has been 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 provide for diminution in value of the investment at 10% per annum. The Board will review recoverability and valuation on an annual basis.

The balance on the loan fund at 31 March 2018 was £2,474,316 and the funds, less the provision, 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 makes contributions on behalf of all staff into a defined contribution 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 2018
(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 provisions 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 2018
(continued)

2 Statement of Financial Activities prior year fund comparatives

	Unrestricted funds	Restricted funds	Endowment funds	Total 2017
	£	£	£	£
Income and endowments from:				
Donations and legacies	679,685	5,382,485	2,640,394	8,702,564
Charitable activities	30,890	77,475	-	108,365
Other trading activities	11,700	20,680	-	32,380
Investment income	885,761	1,146,502	-	2,032,263
Total income and endowments	1,608,036	6,627,142	2,640,394	10,875,572
Expenditure on:				
Raising funds	224,895	34,417	-	259,312
Investment management costs	-	-	220,094	220,094
Charitable activities	1,971,431	5,288,993	-	7,260,424
Total expenditure	2,196,326	5,323,410	220,094	7,739,830
Net (losses)/gains on investments	-	(50,881)	11,083,888	11,033,007
Net income/(expenditure)	(791,570)	(588,290)	1,252,851	14,168,749
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
Reconciliation of funds:				
Total funds brought forward	1,818,156	3,963,161	67,073,591	72,854,908
Total funds carried forward	2,051,792	6,306,935	78,664,930	87,023,657

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2018
(continued)

3 Charitable activities

	2018	2017
	£	£
Other charitable activities	67,925	108,365

4 Other trading activities

	2018	2017
	£	£
Fundraising event	16,073	20,680
Other trading activities	6,750	11,700
	22,823	32,380

5 Investment income

	2018	2017
	£	£
Dividends and interest from endowment fund assets	2,249,041	1,964,448
Interest receivable on cash deposits	59,588	67,815
	2,308,629	2,032,263

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2018
(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 2018	Total 2017
	£	£	£	£
Support staff costs	31,094	123,570	154,664	154,809
Governance staff costs	9,701	38,552	48,253	49,853
Overhead costs	43,431	142,448	185,879	190,616
Governance direct costs	5,754	22,869	28,623	29,489
	89,980	327,439	417,419	424,767
Included in overhead costs are the following:			2018	2017
			£	£
Auditors' remuneration – audit services			7,000	7,000
Depreciation			24,126	24,061

7 Costs of raising funds

	2018	2017
	£	£
Staff costs	149,702	141,343
Direct costs	36,475	25,258
Support costs	89,980	92,711
	276,157	259,312

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2018
(continued)

8 Charitable activities

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

	2018	2017
	£	£
Grants payable	7,598,945	6,455,234
Staff costs	462,692	430,220
Direct costs	72,531	42,914
Support costs	327,439	332,056
	8,461,607	7,260,424

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

	2018 £	2018 Number	2017 £	2017 Number
Other charities and voluntary organisations	7,572,201	1,555	6,716,044	1,307
Individuals	116,610	234	109,664	202
Total new grants awarded in the year	7,688,811	1,789	6,825,708	1,509
Grants cancelled	(89,866)		(370,474)	
Total grant expenditure	7,598,945	1,789	6,455,234	1,509

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.

Notes to the financial statements for the year ended 31 March 2018
(continued)

9 Staff costs

Staff costs comprise the following:

	2018	2017
	£	£
Wages and salaries	703,628	678,324
Social security costs	68,088	62,132
Other pension costs	43,595	35,769
	815,311	776,225

The average number of employees, excluding Trustees/Board Directors, employed by the Group during the year was 23 (2017: 22), full time equivalent 20.06 (2017: 18.55). The ratio of the highest salary to the median salary was 2.3:1 (2017: 2.3:1). The gross salary in the year relating to the executive members of staff responsible for the day-to-day management of the Charity was £278,746 (2017: £298,727) plus £17,844 (2017: £16,980) paid in employer pension contributions.

The Community Foundation is not required to report on gender pay gap as it is below the threshold for reporting. However, the Board has carried out a review of gender pay in line with the legislation and has set out some of the information for 5 April 2017 and 5 April 2018 below:

	5 April 2018	5 April 2017
Mean gender pay gap	8%	17%
Median gender pay gap	-2%	-2%

None of the Trustees/Board Directors received any remuneration during the year (2017: Nil). One of the Directors received reimbursements for expenses during the year totalling £90 (2017: £288).

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

	2018	2017
	Number	Number
£70,000 to £80,000	-	1
£80,000 to £90,000	1	-

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2018
(continued)

10. Investments

Endowment fund investments - Group

At valuation	Listed investments £	Deposit & other cash balances £	Freehold property £	Total £
At 1 April 2017	74,642,033	3,375,998	327,900	78,345,931
Additions/movement in the year	15,645,277	(716,629)	-	14,928,648
Disposals in the year	(16,429,772)	-	-	(16,429,772)
Realised losses in the year	(624,835)	-	-	(624,835)
Unrealised gains in the year	1,230,517	-	8,100	1,238,617
At 31 March 2018	74,463,220	2,659,369	336,000	77,458,589
At cost				
At 31 March 2018	65,026,854	2,659,369	266,500	67,952,723
At 31 March 2017	63,368,041	3,375,998	266,500	67,010,539
Listed investments are detailed as follows:			2018 Market Value £	2017 Market Value £
UK Fixed Interest			6,410,449	6,418,411
UK Equities			23,522,253	25,690,517
Property			2,018,526	1,864,438
Overseas Fixed Interest			1,329,575	1,683,005
Overseas Equities			26,413,311	25,107,182
Collective Investment Schemes			10,086,050	9,895,988
Other			4,683,056	3,982,492
			74,463,220	74,642,033

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2018
(continued)

10 Investments (continued)

Programme Related Investments – Charity and Group

	Total £
Loaned amounts	
At 1 April 2017	508,809
Advances during the year	16,875
Repayments	-
At 31 March 2018	525,684
Provisions	
At 1 April 2017	50,881
Provided against during the year	52,568
Provision released during the year	-
At 31 March 2018	103,449
Net loaned amounts	
At 31 March 2018	422,235
At 31 March 2017	457,928

Endowment fund investments - Charity

At valuation	Listed investments £	Deposit & other cash balances £	Freehold property £	Total £
At 1 April 2017	71,881,970	3,375,998	327,900	75,585,868
Additions/movement in the year	15,110,338	(716,629)	-	14,393,709
Disposals in the year	(15,911,659)	-	-	(15,911,659)
Realised losses in the year	(610,505)	-	-	(610,505)
Unrealised gains in the year	1,260,198	-	8,100	1,268,298
At 31 March 2018	71,730,342	2,659,369	336,000	74,725,711
At cost				
At 31 March 2018	62,660,694	2,659,369	266,500	65,586,563
At 31 March 2017	61,099,008	3,375,998	266,500	64,741,506

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2018
(continued)

10 Investments (continued)

	2018 Market Value £	2017 Market Value £
Listed investments are detailed as follows:		
UK Fixed Interest	6,068,591	6,080,998
UK Equities	22,467,189	24,637,326
Property	1,912,235	1,775,548
Overseas Fixed Interest	1,329,575	1,683,005
Overseas Equities	25,402,046	24,013,971
Collective Investment Schemes	9,949,317	9,784,587
Other	4,601,389	3,906,535
	71,730,342	71,881,970
Other investments – Charity		
		Unlisted investments £
At cost and valuation		
At 1 April 2017		100
At 31 March 2018		100

Unlisted investments held by the charity relate to £100 (2017: £100) investment in the subsidiary company Tyne & Wear Foundation Limited at cost. At 31 March 2018 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 2018 the remaining funds available to be drawn were £2,474,316. At the year end the restricted reserve balance was £2,896,551 (note 18) (2017: £2,949,119) 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 2018 was £2,474,316 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 £2,171,819 for the full group (2017: £3,354,931). No single investment accounts for more than 5% of the endowment fund investments.

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2018
(continued)

11 Tangible fixed assets

Group and Charity	Land & Buildings £	Furniture & equipment £	Office improve- ments	Total £
Cost				
At 1 April 2017	750,000	51,947	33,472	835,419
Additions	-	8,048	-	8,048
Disposals	-	(4,247)	-	(4,247)
At 31 March 2018	750,000	55,748	33,472	839,220
Accumulated Depreciation				
At 1 April 2017	33,750	38,742	6,239	78,731
Charge for the year	15,000	5,778	3,348	24,126
Disposals	-	(4,247)	-	(4,247)
At 31 March 2018	48,750	40,273	9,587	98,610
Net book value				
At 31 March 2018	701,250	15,475	23,885	740,610
At 31 March 2017	716,250	13,205	27,233	756,688

12 Debtors

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Other debtors	125,280	112,203	125,280	112,203
Dividends and interest receivable	77,435	96,092	66,143	83,709
Prepayments and accrued income	-	25,754	-	25,754
	202,715	234,049	191,423	221,666

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2018
(continued)

13 Assets held for sale

Charity and group	Property £
At 1 April 2017	97,000
Disposal in year	(93,690)
Realised loss	(3,310)
At 31 March 2018	-

14 Creditors: amounts falling due within one year

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Other creditors and accruals	136,890	670,219	136,890	670,219
Taxation and social security costs	19,818	17,622	19,818	17,622
Grants payable	1,634,494	1,187,421	1,610,605	1,154,648
	1,791,202	1,875,262	1,767,313	1,842,489

Other creditors include amounts totalling £60,620 (2017: £629,833) 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 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Other creditors and accruals	1,058,570	1,119,190	1,058,570	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 2018
(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.

	2018 £	2017 £
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 2017	78,664,930	75,845,202
Transfers between funds:		
Total returns endowment withdrawal	(2,495,146)	(2,495,146)
Transfers to endowment from income funds	20,646	20,646
Exceptional withdrawal from endowment funds	(87,841)	(87,841)
Net income before transfers	1,464,572	1,523,282
At 31 March 2018	77,567,161	74,806,143

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 £2,495,146 (including Community First indexed gain withdrawal) and is shown as a transfer from the endowment fund. A withdrawal of £83,745 was made from the Enid Blyton Fund for Seven Stories and £4,096 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 2018
(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 2018 have received sufficient funds to return them to credit.

	At 1 April 2017 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2018 £
Frank Acfield	2,552	1,020	3,500	-	72
Akzo Nobel International Paint	(140)	17,100	16,130	1,300	(470)
Akzo Nobel International Paint	-	-	-	-	-
Community First	-	(523)	-	(523)	-
Abbot Memorial Grants	-	6,000	3,300	-	2,700
Asian	5,163	6,049	11,621	-	(409)
Stuart Ayre	-	1,945	1,945	-	-
Nancy Barbour Award	5,490	6,809	9,238	120	2,941
Barnes Grassroots	3,318	1,650	-	4,968	-
Sir Jeremy Beecham	(1,087)	1,441	4,450	(4,096)	-
Bellingham	(331)	2,733	600	5	1,797
Berwick Academy Endowment	22,256	9,390	13,500	-	18,146
Blackett Family Community	-	-	-	-	-
First	(453)	1,666	6,475	(5,252)	(10)
Enid Blyton Fund for Seven	-	-	-	-	-
Stories	-	41,371	125,116	(83,745)	-
Bowey Community First	2	(3,388)	-	(3,388)	2
Ron & Louise Bowey	-	-	-	-	-
Grassroots	347	15,804	19,596	-	(3,445)
Carolyn and Tony Brookes	265	1,550	-	-	1,815
Burnell Community First	-	(893)	-	(893)	-
Lawrence Campbell	-	-	-	-	-
Community First	(366)	2,013	5,940	(4,984)	691
Canford Audio	-	496	-	-	496
Capacitybuilders CPP	5,458	-	-	-	5,458
Chapman	(596)	26,203	25,875	-	(268)
CNL Young People's	744	-	744	-	-
Comic Relief	5,517	-	-	-	5,517
Comic Relief Community Cash	52	55,300	50,007	5,300	45
Comic Relief Local	-	-	-	-	-
Communities	-	48,455	-	4,604	43,851
Comic Relief Large Grant	11	-	-	-	11
Community Ventures	217	-	-	-	217
Sir Tom Cowie	42,089	75,853	81,092	5,000	31,850
Stephen & Abigail Crampton	995	1,872	1,452	-	1,415
Culture Bridge	-	7,104	5,415	-	1,689
Culture Partnerships	77,967	16,000	-	19,080	74,887
John D Grassroots	2,561	7,938	7,878	2,621	-
Duncan & Sarah Davidson	1,855	5,628	8,303	-	(820)
Pamela and Dorothy Denham	1,263	3,261	4,000	-	524
Pamela Denham Community	-	-	-	-	-
First	-	(957)	-	(957)	-
Carried forward	175,149	358,890	406,177	(60,840)	188,702

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2018
(continued)

18 Income funds - restricted (continued)

	At 1 April 2017	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2018
	£	£	£	£	£
Brought forward	175,149	358,890	406,177	(60,840)	188,702
Pamela Denham Grassroots	2,133	511	-	-	2,644
David Dockray's West End					
Young People's	567	47,444	52,009	-	(3,998)
Dream Jar	-	1,001	-	-	1,001
The Edwin John Easydorchik					
Travelling Scholarship	1,070	4,446	3,000	-	2,516
Enviresearch	1,022	12,000	7,052	1,200	4,770
ESF Community Grants	-	-	(55)	-	55
Evangelical	6,069	8,615	-	-	14,684
Evening Chronicle Sunshine	-	6,632	6,632	-	-
Express Enterprise	71	1,206	(1,630)	-	2,907
Esmée Fairbairn North East	20,142	-	20,142	-	-
FARNE	22,539	13,655	30,284	-	5,910
David & Gitta Faulkner	840	1,766	776	-	1,830
Fausta and Rosemary					
Community First	-	(2,125)	-	(2,125)	-
Fergusons of Blyth	9,662	7,948	-	-	17,610
Fogo Community First	-	(8,878)	-	(8,878)	-
Fogo Grassroots	12,989	8,786	464	21,311	-
Fourteen	36,190	9,582	58,567	(12,795)	-
Gateshead Capacity Building	(109,917)	458,090	316,193	23,380	8,600
Give2 Gateshead	2,708	7,248	13,533	(4,138)	561
Give2 Newcastle	8,237	4,684	20,864	(8,901)	958
Give2 North Tyneside	2,129	1,169	5,210	(2,214)	302
Give2 Northumberland	16	1,330	2,537	(1,891)	700
Give2 South Tyneside	382	1,191	3,600	(2,352)	325
Give2 Sunderland	5,462	5,746	23,321	(13,558)	1,445
David Goldman Awards	(371)	30,494	30,123	-	-
Allison Greenlees Continuation	-	6,288	3,000	3,288	-
The EDF Energy Green Rigg					
Wind Farm Community Benefit	26,721	39,600	30,434	3,600	32,287
The EDF Energy Renewables					
Barmoor Windfarm Community	-	69,257	73,175	(69,894)	65,976
Benefit					
Jackie Haq Fund for Scotswood	2,524	1,700	1,500	-	2,724
Heyman Scholarships	21,438	5,862	-	-	27,300
Joy Higginson	1,268	1,328	2,000	-	596
High Sheriff of Northumberland	3,804	46,979	42,250	213	8,320
Hokey Cokey Community First	-	(715)	-	(715)	-
Hoult Family Community First	-	(278)	-	(278)	-
Hoult Family Grassroots	2,137	2,893	3,991	250	789
The HunterPemberton					
Community First	1,871	1,195	2,850	(2,887)	3,103
If only... Grassroots	5,616	840	-	6,456	-
Innogy Renewables UK Kiln Pit					
Hill Wind Farm Community	-	18,482	16,644	1,836	2
Josephs Family	(51)	1,359	1,310	-	(2)
Carried forward	262,417	1,176,221	1,175,953	(129,932)	392,617

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2018
(continued)

18 Income funds - restricted (continued)

	At 1 April 2017	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2018
	£	£	£	£	£
Brought forward	262,417	1,176,221	1,175,953	(129,932)	392,617
JPMorgan	420	2,497	-	-	2,917
Kellett	547,613	389,366	292,148	10,000	634,831
Kerry Community First	1,055	1,027	2,500	(2,111)	1,693
Kerry Grassroots	2,942	3,346	2,500	-	3,788
June King	-	2,295	2,295	-	-
Latterford	258	675	400	-	533
Lendrum Community First	671	1,051	3,073	(3,286)	1,935
Capt. C.D. Leyland	-	3,157	-	-	3,157
Linden Community First	-	(38,252)	-	(38,252)	-
Local Environmental Action	51,701	46,825	85,058	(10,984)	24,452
George Loggie	8,821	1,272	-	-	10,093
Lady Betty Martin Fund within the North East Fund for the Arts	-	8,538	6,868	-	1,670
Maudslay Family Grassroots	918	1,074	1,600	392	-
Grigor McClelland Community First	804	(7,831)	-	(7,831)	804
Muckle LLP Grassroots	1,824	5,648	3,826	3,646	-
Nash	853	26,537	26,070	750	570
NEF Grassroots	1,590	1,745	-	-	3,335
New Beginnings	4,800	(9,922)	(9,922)	4,800	0
Newcastle Culture Investment	440	621,159	569,268	22,500	29,831
North East Endowment for Musical Traditions	3,000	3,202	3,691	-	2,511
North East Fund for the Arts	3	4,675	10,595	(5,000)	(917)
North East Social Investment	2,949,119	-	-	52,568	2,896,551
Northern Angel	1,935	16,621	9,700	-	8,856
Northern Powergrid Community Energy Seed	-	100,038	89,045	7,500	3,493
Northern Rock Foundation					
Legacy Grants	315,000	31,443	-	55,000	291,443
North Tyneside	(193)	1,718	1,682	-	(157)
Northumberland Group	(2,722)	34,966	34,054	-	(1,810)
Out & About	23,574	5,498	564	-	28,508
P&G Grassroots	(142)	3,061	1,892	1,027	-
Partnership programme	106,940	80,000	38,033	83,566	65,341
Patch	20,232	15,846	16,000	-	20,078
Pea Green Boat Community First	5,501	18,633	71,915	(48,529)	748
Pen & Palette Club Fund within the North East Fund for the Arts	1,202	4,994	6,196	-	-
Percy Family	4,570	7,518	6,123	-	5,965
Philanthropy House	749,893	-	-	-	749,893
Platten Family Community First	29,321	20,478	119,474	(89,069)	19,394
Port of Tyne Community Action	2,329	3,800	3,267	785	2,077
Prime Grassroots	(2,944)	8,457	-	5,513	-
Prudhoe League of Friends	6,080	3,821	-	-	9,901
Ray Wind Farm Small Grants Programme	-	100,000	-	-	100,000
Readman Community First	45	(9,367)	-	(9,322)	-
Carried forward	5,099,870	2,691,830	2,573,868	(96,269)	5,314,101

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2018
(continued)

18 Income funds - restricted (continued)

	At 1 April 2017 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2018 £
Brought forward	5,099,870	2,691,830	2,573,868	(96,269)	5,314,101
Readman Family Grassroots	89,958	81,013	152,361	(45)	18,655
Readman Foundation	277,177	1,700	28,000	2,800	248,077
Carrie Reay Grassroots	2,647	3,958	5,495	-	1,110
REEDS Community First	-	(6,533)	-	(6,533)	-
REEDS Grassroots	24,096	21,488	21,226	-	24,358
Riddell Family Community First	(1,293)	9,215	36,410	(28,799)	311
Riding Grange Grassroots	1,514	3,371	4,000	-	885
Jane Robertson Alnwick	739	2,016	740	-	2,015
Brian Roycroft	1,906	6,164	8,291	(4,903)	4,682
RWE Innogy UK Middlemoor					
Wind Farm Community	17,129	97,378	84,394	6,329	23,784
Sage Gateshead	(8,965)	732,483	723,518	-	-
Share Family	191	-	-	191	-
Shears Grassroots	(1,112)	3,380	-	2,268	-
Smail Family	1,607	4,158	4,000	-	1,765
Henry Smith Charity	598,500	1,370,251	1,237,951	-	730,800
Sport Relief	5,616	-	-	-	5,616
Spriggs Family Community First	-	(254)	-	(254)	-
Trikoli & Shohba Srivastava Community First	-	213	-	-	213
Sunderland Industrial & Reformatory School	2,686	1,332	2,950	-	1,068
Surviving Winter	152	-	-	152	-
Suz Grassroots	1,747	1,731	-	-	3,478
Taylor	(805)	20,961	20,157	-	(1)
Third Sector Trends	10,000	-	-	2,757	7,243
Thornton Family Grassroots	1,844	4,159	5,335	0	668
Three Valleys	2,684	6,030	13,794	(9,254)	4,174
Three Valleys Grassroots	8,802	3,952	3,500	9,254	-
Tiny Lives	-	96,769	96,769	-	-
Treeline Grassroots	240	404	-	644	-
Tyne & Wear High Sheriff Awards	15,842	49,970	41,000	22,670	2,142
Tyne & Wear High Sheriff Community First	-	(1,755)	-	(1,755)	-
Tyne & Wear Grassroots	(86)	870	784	-	-
Ventient Sisters North Steads					
Wind Farm Community Benefit	-	201,850	37,485	18,350	146,015
Vicky Grassroots	1,472	1,450	-	-	2,922
Virgin Money	4,419	3,729	2,300	-	5,848
Vital Signs Durham and Tees Valley	19,000	-	-	19,000	-
Ted Weekes	(1,516)	13,838	12,601	6	(285)
The Wellesley Trust	22,491	395,497	400,662	10,000	7,326
The Wellesley Trust Community First	-	(102,109)	-	(115,287)	13,178
Winter Family Grassroots	1,256	3,956	8,558	(3,346)	-
Wood	5,033	7,635	7,400	-	5,268
Carried forward	6,204,841	5,732,100	5,533,549	(172,024)	6,575,416

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2018
(continued)

18 Income funds - restricted (continued)

	At 1 April 2017	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2018
	£	£	£	£	£
Brought forward	6,204,841	5,732,100	5,533,549	(172,024)	6,575,416
CH Wood	(177)	5,271	5,100	-	(6)
Women's	17,447	50,561	48,234	7,059	12,715
Women's Community First	-	(934)	-	(935)	1
Young Musician's	1,792	6,099	6,531	-	1,360
Youth Social Action	55,000	27,500	100,000	(45,000)	27,500
Total Community Foundation	6,278,903	5,820,597	5,693,414	(210,900)	6,616,986
Joseph Brough Charitable Trust	(2,689)	65,954	52,453	-	10,812
Tyne and Wear Foundation Trust	30,751	15,244	15,009	-	30,986
Tyne & Wear Foundation Limited	(30)	-	-	-	(30)
Total Group	6,306,935	5,901,795	5,760,876	(210,900)	6,658,754

Income and transfers include credits of £1,142,455 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 £442,994, staff costs of £122,948, amortisation of Programme Related Investments of £52,568 and other fund expenses and fundraising event costs of £56,581. The Women's Fund includes income from People of Ward Hadaway in memory of Sue Watts fund, Fausta and Rosemary Community First fund and Pamela and Dorothy Denham fund, Brian Roycroft fund includes income from the Tessa Hide fund, Tiny Lives fund includes income from the Moor fund, Local Environmental fund includes income from Ivy and Gilbert Purvis 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 2018 have received sufficient funds to return them to credit.

	At 1 April 2017	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2018
	£	£	£	£	£
Adderstone	14,792	12,851	21,550	-	6,093
Anonymous	1,398	3,436	2,710	-	2,124
Appletree	833	9,626	9,500	-	959
Barley Hill	3,754	4,103	4,832	-	3,025
Barnes	(322)	6,331	6,492	(4,968)	4,485
Christopher Beadle	1,591	3,583	2,000	-	3,174
Charles Robert Bell	-	12,627	12,627	-	-
John Bell	2,416	69,633	71,848	5,000	(4,799)
Bellway	942	2,836	3,820	-	(42)
Benfield Motors	4,717	21,555	24,260	-	2,012
Bonas Machine Company	370	1,345	1,250	-	465
Ron and Louise Bowey	(1,472)	40,496	40,000	-	(976)
The Muriel Campbell	-	1,474	1,500	-	(26)
Carried forward	29,019	189,896	202,389	32	16,494

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2018
(continued)

19 Income funds - unrestricted (continued)

	At 1 April 2017	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2018
	£	£	£	£	£
Brought forward	29,019	189,896	202,389	32	16,494
Carr-Ellison Charitable Trust	3,714	11,795	11,150	-	4,359
Chrysalis	2,181	2,036	1,500	-	2,717
Combatting Isolation	150,000	-	137,500	12,500	-
Daphne & Martin Cookson	2,068	4,620	6,921	-	(233)
Roland Cookson	-	75,415	75,415	-	-
Roland Cookson Community	19,765	21,134	40,574	-	325
Coquet	9,000	-	6,000	-	3,000
Crozier	-	2,064	-	2,064	-
John D Endowment	652	6,037	9,623	(2,621)	(313)
Death of a Nightingale	2,442	-	-	2,442	-
Dickon Trust	(4,606)	79,064	74,993	-	(535)
The EDF Energy Renewables Barmoor Windfarm					
Community Benefit	76,820	-	-	76,820	-
Elgon	-	305	500	-	(195)
Fogo	7,101	28,630	49,791	(21,311)	7,251
John Paul Getty Jnr	100,000	-	17,500	-	82,500
Gateshead Housing Company Community	68,906	-	63,345	8,500	(2,939)
George & Peggy	(1,154)	4,946	3,797	-	-
Michael & Christine Heppell	4,382	3,358	6,000	-	1,740
The Hokey Cokey (that's what it's all about)	762	2,956	2,000	-	1,718
I'Anson Family	2,188	2,975	6,042	-	(879)
If only...	1,622	798	8,876	(6,456)	-
RWE Innogy UK Kiln Pit					
Hill Wind Farm Community	12	-	-	12	-
Sir James Knott	-	2,337	2,337	-	-
John Laing	1	5,448	-	-	5,449
William Leech Charity	51,074	23,513	-	5,000	69,587
Leech Challenge	3,872	3,459	7,500	-	(169)
Linden Family	(1,709)	119,268	119,931	(2,267)	(105)
Helen McArdle	6,261	-	6,261	-	-
Grigor McClelland	36,414	20,066	-	-	56,480
Daisy Marr	13,442	31,591	42,055	-	2,978
Lily Matthews	12,770	-	-	-	12,770
David Mattu	1,250	-	-	1,250	-
Maudslay Family	1,388	1,353	2,900	(392)	233
G S May Family	7,601	6,372	7,000	2,500	4,473
McIntosh	576	1,291	1,800	-	67
Medics for the Community	788	-	-	788	-
Muckle LLP	9,522	23,746	28,341	(2,209)	7,136
Ronald Edward Murray	76,862	61,614	-	25,000	113,476
Newcastle Brown Ale	-	5,386	5,553	-	(167)
Newcastle Building Society Community	(860)	138,144	129,853	12,526	(5,095)
Emma Newton	1,283	5,335	5,298	-	1,320
North 150	246	-	-	-	246
North East Brewers	(2,039)	6,759	3,000	0	1,720
Carried forward	693,616	891,711	1,085,745	114,178	385,404

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2018
(continued)

19 Income funds - unrestricted (continued)

	At 1 April 2017 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2018 £
Brought forward	1,216,036	891,711	1,085,745	114,178	385,404
Northern Powergrid	-	17,517	17,559	-	(42)
Northumbrian Water	-	6,367	6,455	-	(88)
Pattinson Estate Agents	1,720	7,158	7,000	-	1,878
Philanthropy North East Story	1,000	18,000	-	(23,250)	42,250
Platten Family	411,665	77,989	215,378	58,917	215,359
PricewaterhouseCoopers	931	2,008	900	-	2,039
Prime	(713)	22,085	26,885	(5,513)	-
P&G	(2,016)	58,162	57,431	(1,027)	(258)
Guy Readman endowment	164,290	138,698	146,800	-	156,188
Ringtons	13,890	49,401	49,418	-	13,873
Rolls-Royce	552	1,581	2,133	-	-
St Cuthbert's	4,919	2,021	-	-	6,940
SJB	-	1,774	-	-	1,774
Henry Smith Charity North					
East Grants	(75,007)	157,500	74,993	7,500	-
Johnnie & Tricia Smith	1,189	4,196	4,500	-	885
Barry & Faga Speker	579	3,834	3,350	-	1,063
Spriggs Family	1,186	335	-	-	1,521
Square One Law	15,000	-	13,000	-	2,000
Shobha and Triloki Srivastava					
Grassroots	-	648	250	-	398
Star	2,179	10,599	9,500	750	2,528
TESS	1,380	3,326	4,700	-	6
Treeline	1,456	3,229	4,150	(644)	1,179
Vaux	(281)	8,981	9,398	-	(698)
Ward Hadaway	1,655	4,471	4,360	-	1,766
Watkin Family	2,602	30,590	33,192	-	-
Watson Family	2,365	-	1,950	-	415
Weightman	-	1,438	-	-	1,438
Willis Charitable	1,110	891	1,000	-	1,001
The Lucy Winskell	299	1,243	1,542	-	-
Winter Family	1,146	12,549	7,462	3,346	2,887
Robert Wood Trust	-	4,762	5,417	-	(655)
Other general grant-making funds	245,613	219,394	43,601	66,259	355,147
Total designated funds	1,492,325	1,762,458	1,838,069	220,516	1,196,198
Administrative fund	559,467	822,339	-	745,269	636,537
Total Community Foundation	2,051,792	2,584,797	1,838,069	965,785	1,832,735
Total Group	2,051,792	2,584,797	1,838,069	965,785	1,832,735

Income and transfers include £983,384 transferred from the main and ethical endowment funds to distribute as income on a total returns basis. Other outgoing and transfers consist of £6,492 transferred between funds, £692,363 staff costs, £15,250 designated fund expenses and other net administrative costs of £251,680.

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2018
(continued)

19 Income funds - unrestricted (continued)

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. Give2 Gateshead fund includes income from Crosshatch fund. In addition to the funds listed in restricted and unrestricted funds there are 18 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.

20 Analysis of net assets between funds

Group

	Unrestricted funds	Restricted funds	Endowment funds	2018 Total
	£	£	£	£
Investments	-	422,235	77,458,589	77,880,824
Tangible fixed assets	39,360	701,250	-	740,610
Current assets	2,128,041	8,017,237	141,710	10,286,988
Current liabilities	(334,666)	(1,423,398)	(33,138)	(1,791,202)
Creditors due after one year	-	(1,058,570)	-	(1,058,570)
Total net assets	1,832,735	6,658,754	77,567,161	86,058,650

Charity

	Unrestricted funds	Restricted funds	Endowment funds	2018 Total
	£	£	£	£
Investments	-	422,335	74,725,711	75,148,046
Tangible fixed assets	39,360	701,250	-	740,610
Current assets	2,128,041	7,951,480	113,570	10,193,091
Current liabilities	(334,666)	(1,399,509)	(33,138)	(1,767,313)
Creditors due after one year	-	(1,058,570)	-	(1,058,570)
Total net assets	1,832,735	6,616,986	74,806,143	83,255,864

Community Foundation

serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2018 (continued)

21 Pensions

The Community Foundation contributes to a defined contribution group pension scheme for all staff. 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 £43,595 (2017: £35,769). Outstanding contributions at 31 March 2018 were £516 (2017: £450).

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 £7,385,768 (2017: £10,811,760) and its net deficit for the year was £920,033 (2017: net income £13,805,229) after the addition of gains on investments of £601,915 (2017: £10,634,043).

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 (2017: inactive). A summary of results of the subsidiary company is shown below:

	Total	Total
	2018	2017
	£	£
Turnover	-	-
Cost of sales	-	-
Operating profit	-	-
Administrative costs	-	-
Net profit	-	-

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2018
(continued)

22 Subsidiary company and charities (continued)

The aggregate of the assets and liabilities was:

	Total	Total
	2018	2017
	£	£
Assets	70	70
Liabilities	-	-
Net assets	70	70

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
	2018	2017
	£	£
Investment income	70,954	47,209
Charitable activities	(57,453)	(73,396)
Investment management costs	(7,105)	(5,499)
(Losses)/gains on investments	(7,565)	293,554
Net movement in funds	(1,169)	261,868

The aggregate of the assets, liabilities and funds was:

	Total	Total
	2018	2017
	£	£
Assets	1,964,770	1,975,087
Liabilities	(15,000)	(24,148)
Funds	1,949,770	1,950,939

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2018
(continued)

22 Subsidiary company and charities (continued)

Represented by:	Total 2018 £	Total 2017 £
Permanent endowment fund	1,938,958	1,953,628
Restricted funds	10,812	(2,689)
Funds	1,949,770	1,950,939

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 2018 £	Total 2017 £
Investment income	27,590	28,363
Investment management costs	(7,594)	(7,214)
Charitable activities	(27,355)	(24,907)
(Losses)/gains on investments	(36,446)	105,410
Net movement in funds	(43,805)	101,652

The aggregate of the assets, liabilities and funds was:

	Total 2018 £	Total 2017 £
Assets	861,935	905,476
Liabilities	(8,889)	(8,625)
Funds	853,046	896,851

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2018
(continued)

22 Subsidiary company and charities (continued)

Represented by:	Total 2018 £	Total 2017 £
Permanent endowment fund	822,060	866,100
Restricted funds	30,986	30,751
Funds	853,046	896,851

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 or where members of the Executive Team are Trustees/Directors. All grants have been awarded using the same guidelines as any other grant. Directors and staff 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 £433,796 to the Community Foundation during the year (2017: £188,943), to named endowment and revenue funds and £258.48 was donated by members of the Executive Staff Team.

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

Organisation	Director/employee involved	Relationship	Total grants £
AV Festival	Adam Lopardo	Trustee	20,000
Charlotte Straker Project	Lady Blackett	Trustee	75,415
Derwenthaugh Boat Station	Lucy Winskell OBE	Trustee	1,000
Edberts House	Jon Mallen-Beadle	Trustee	1,879
International Centre for Life	Fiona Cruickshank OBE and Lucy Winskell OBE	Trustees	11,200
Live Theatre	Lucy Winskell OBE	Trustee	11,542
Newcastle Council for Voluntary Service	Sally Young	Employee	15,000
Northumberland Wildlife Trust	Sandra King	Trustee	28,364
Tech for Life CIC	Adam Lopardo	Director	62,375

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2018
(continued)

24 Cash flow information for the Group

Reconciliation of net income to net cash flow from operating activities

	2018 £	2017 £
Net deficit for the year	(965,007)	14,168,749
Adjustments for:		
Receipt of endowment	(1,106,213)	(2,640,394)
Depreciation charges	24,126	24,061
Gains on endowment investments	(610,472)	(11,083,888)
Loss on sale of assets for resale	3,310	-
Losses on programme related investments	52,568	50,881
Dividends and interest from investments	(2,308,629)	(2,032,263)
Decrease in debtors	31,334	455,151
(Decrease) /increase in creditors	(144,680)	349,502
Net cash used in operating activities	(5,023,663)	(708,201)

Analysis of cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	5,084,273	5,126,513
Short-term deposits	5,000,000	5,000,000
Total cash and cash equivalents	10,084,273	10,126,513

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.