

Community Foundation

serving Tyne & Wear and Northumberland

(A company limited by guarantee)

Annual financial statements for the year ended 31 March 2019

Registered company number 02273708

Registered charity number 700510



Community Foundation

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Annual financial statements

for the year ended 31 March 2019

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Community Foundation

serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2019

Introduction

The Board present their report and the audited consolidated financial statements for the year ended 31 March 2019.

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 was an elected member and the Vice Chair of the UK Community Foundation's board of trustees during the year, standing down in November 2018. 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 2019 (continued)

Advisers

Independent Auditors

MHA Tait Walker
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

Annual report for the year ended 31 March 2019 (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, 2007, 2017 and 2018. A revision to the Charity's objects, which had been approved by the Charity Commission, was adopted by the membership at 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 of the Board.

There are arrangements for induction, training and support of Board members, which are reviewed by the Governance, Finance and Audit Committee (previously the Finance and Operations Committee). Each new Board Member is given an induction pack and attends an induction session with the executive team and meets the Chair. The Governance, Finance and Audit 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 annually to ensure that 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, 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 2019 (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)

At the year-end, the Board decided to merge Finance & Operations Committee and Scrutiny, Audit & Risk Committee into a new Governance, Finance and Audit Committee.

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)
Geoffrey Hodgson – Deputy Chair co-opted June 2013, elected October 2013	(F&O)
Alastair Conn - Treasurer elected November 2009, retired November 2018	(F&O, Inv)
Jill Baker co-opted June 2019	
Lady Blackett co-opted December 2015	(Inv)
Paul Farquhar co-opted March 2018	(F&O, Inv)
Andrew Haigh elected December 2016	(Inv)
Claire Malcolm co-opted March 2019	
Jon Mallen-Beadle appointed March 2018 to represent statutory authorities, resigned November 2018	(F&O)
Patrick Melia appointed December 2016 to represent statutory authorities	(Inv)
Sharon Spurling elected October 2014, resigned November 2018	(Audit)
Jane Robinson appointed March 2012 to represent statutory authorities, co-opted November 2016, retired November 2018	(F&O)
Laura Warwick appointed November 2018	
Neil Warwick OBE co-opted December 2015, elected November 2016	(Audit)
Lucy Winskell OBE elected December 2016	(Audit)
Sally Young elected October 2014	(Audit)

Annual report for the year ended 31 March 2019 (continued)

Structure, governance and management (continued)

Sally Young will stand down at the 2019 Annual General Meeting having served 5 years meaning there will be a vacancy for a voluntary sector member. Andrew Haigh, Patrick Melia and Lucy Winskell will have completed their first three-year term and will be eligible for re-election/appointment. Geoffrey Hodgson will have completed his second three-year term and as an officer of the Board he is eligible to be co-opted for a third and final three-year term.

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 21.9).

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. The Community Foundation has its own salary scale with grades intended to be broadly compatible with charities of a similar size in the north of England, and those with similar functions across the UK. Because of its leading position in the charity sector, the Community Foundation's senior staff must have significant expertise so it must be able to draw from the best talent in a competitive market. Senior staff roles are therefore ungraded which allows the Board to be more flexible in setting pay when recruiting and reviewing performance. All salaries are reviewed annually by a sub-committee of the Board with any recommendations for pay increases presented to the full Board for approval when it agrees the annual budget. 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. The Board sub-committee reviews the Chief Executive's salary and other benefits without them present, taking account of factors relating to performance, benchmarking and internal salary differentials.

Community Foundation

serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2019 (continued)

Objectives and activities

The Community Foundation's objects are for the benefit of the public generally, in particular, but not exclusively, in the area of Tyne and Wear and Northumberland: to promote and support the prevention or relief of poverty or disadvantage; to preserve and protect health; to advance the education of the public; for the general purposes of such charitable bodies or for such other exclusively charitable purposes in each case as the Directors may from time to time decide. 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 funds have more restricted purposes – for example the Sir Tom Cowie Fund only makes grants to organisations to support disadvantaged or 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 sector support and 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

2018-19 was the third 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

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Annual report for the year ended 31 March 2019 (continued)

Strategic report (continued)

Achievements and performance (continued)

Achievements during 2018-19 against the strategic outcomes and aims as reviewed by the Board in March 2019 are set out below. More detailed descriptions of activities and their impact are included in the Community Foundation's yearbook.

Philanthropy and giving

- £3.36m in endowment gifts and £0.98m in revenue gifts were received.
- 9 new funds were established.
- 5 new legacy notifications were received.
- Launched the Giving Network to engage a new generation of philanthropists.

Funding and support

- 1,515 grants (2018: 1,789) totalling £7.80m (2018: £7.69m) were awarded, exceeding the target of £7.6m and increasing towards the long-term goal of £10m. 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 £1.33m 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	476	1,685,349
Corporate funds	327	1,125,714
Charity and trust funds	234	980,879
Theme and affinity funds	213	603,486
Programme and partnership funds	245	2,530,321
Agency funds (benefiting a named organisation)	20	878,091
Total grants awarded by the full Group	1,515	7,803,840

- Success rates for applications fell to 60% from 64% in 2018.
- 5 'Time to Talk' sessions for grantees were held and 9 funding events attended.
- 43 grant review visits were conducted.
- Funding was delivered for partners NCIF, Gateshead Council, LEAF, iWill.
- Grant-making support services were delivered for 1989 Willan Charitable Trust and the Ridley Family Charity.
- 13 trustee matches made through our brokerage scheme and 3 through a new skills match scheme.

Community Foundation

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Annual report for the year ended 31 March 2019 (continued)

Strategic report (continued)

Achievements and performance (continued)

Knowledge, leadership and profile

- Ran the GeNErosity Festival of giving and philanthropy in North East England.
- Launched the Growth and Resilience Fund as a partnership with Northstar Foundation, County Durham Community Foundation and Mercers Company.
- Commissioned next phase of our *Third Sector Trends* research.
- Partnered in North East Funders network and North East Fundraising Conference.
- Spoke/wrote for national bodies including the Association of Charitable Foundations, Third Sector Magazine and Chartered Institute of Housing.
- Hosted learning visits from other UK community foundations and played leading role in network

Governance and operations

- Completed Governance review and new Articles adopted changing the objects.
- 79% of core costs covered by fund contributions
- Scoped new grants/donor/finance/CRM system options and commissioned initial development work.
- Achieved bronze level in better health at work scheme.

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 Commissioner's 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.

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Annual report for the year ended 31 March 2019 (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 2019 were £89.10m (2018: £86.06 m). £81.24m of the assets related to endowment funds (2018: £77.57m). The total unrealised and realised gains on investments amounted to £2.49m (2018: £0.56m). There were new donations to the endowment funds during the year of £3.36m (2018: £1.11m), and fees and transfers out of endowment of £2.03m (2018: £2.81m). 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 21. 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 below the bespoke benchmark with a total return average of 5.4% compared to benchmark 7.3%. The Board were content with performance on the other smaller funds.

Total income and endowment for the year totalled £9.78m (2018: £7.47m). The main sources of income were new donations and investment income. The main resources expended were for charitable grants of £7.71m net (2018: £7.60m net). Fundraising events within the charity relates solely to an event held to raise funds for the Young Musicians Fund.

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Annual report for the year ended 31 March 2019 (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 2019 of £1,857,598 includes £1,166,974 set aside for designated funds which are solely for future grant-making, and the balance of £690,624 less fixed assets of £71,440, £619,184 is the general reserve available to meet future administration and development expenditure.

The Board reviewed its reserve level during the year and designated £235,000 (less utilised during 2019 year-end, £21,000) of the general reserves to support additional staffing costs and one-off costs to develop a new ICT system. 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 £405,184 which was slightly below the range calculated, minimum level of £430,000 and the maximum £715,000.

Plans for future periods

In March 2019 the Board approved priorities for year four of the 2016-2020 strategy. The main targets for 2019-20 are shown below.

KEY PERFORMANCE INDICATORS	2019-20 TARGET
Year-end endowment value	£82.5m
Total endowment gifts	£3.0m
Total revenue gifts	£1.0m
Programme funds received	£2.7m
Total grants awarded	£7.7m
Fund distribution rate	85%
Success rate of external applications	55%
Minimum grant value per capita for each LA area excl. programmes	£1.00
Total return on investment	6% +CPI
Year-end operating budget result	Deficit £0.1m
Proportion of core costs covered by fund contributions	75%
Cost of raising funds as % of expenditure	4%

Annual report for the year ended 31 March 2019 (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. 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 2019 were:

- Losing significant asset value
- Failure to achieve 6% return
- Theft, fraud and bribery
- 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 and second risks noted above are 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. A review of systems has been carried out during the year and a number of additional controls have been introduced, especially around the payment of grants, to reduce the risk of theft and fraud. A communications and marketing strategy is in place to mitigate against key audiences not knowing about us.

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;

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Annual report for the year ended 31 March 2019 (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

MHA 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

24 September 2019

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 2019, which comprise the Consolidated Statement of Financial Activities, Consolidated Income and Expenditure Account, Consolidated Balance Sheet, Balance Sheet, Consolidated 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 2019 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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.

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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.

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.

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

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

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 BA ACA DChA (Senior Statutory Auditor)

For and on behalf of MHA Tait Walker
Chartered Accountants and Statutory Auditor

Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 30.9.19

MHA Tait Walker is a trading name of Tait Walker LLP.

Community Foundation
serving Tyne & Wear and Northumberland

**Consolidated statement of financial activities
for the year ended 31 March 2019**

	Notes	Unrestricted funds	Restricted funds	Endowment funds	Total 2019	Total 2018
		£	£	£	£	
Income and endowments from:						
Donations and legacies		878,415	3,176,435	3,352,932	7,407,782	5,067,5
Charitable activities	3	30,825	-	-	30,825	67,9
Other trading activities	4	27,250	-	6,280	33,530	22,8
Investment income	5	1,055,237	1,250,109	-	2,305,346	2,308,6
Total income and endowments		1,991,727	4,426,544	3,359,212	9,777,483	7,466,9
Expenditure on:						
Raising funds	7	253,381	3,095	-	256,476	276,1
Investment management costs		-	-	247,733	247,733	252,1
Charitable activities	8	2,782,709	5,945,968	-	8,728,677	8,461,6
Total expenditure		3,036,090	5,949,063	247,733	9,232,886	8,989,8
Net (losses)/gains on investments		-	(91,660)	2,586,352	2,494,692	557,9
Net income/(loss)		(1,044,363)	(1,614,179)	5,697,831	3,039,289	(965,00)
Transfers between funds		1,069,226	957,417	(2,026,643)	-	
Net movement in funds		24,863	(656,762)	3,671,188	3,039,289	(965,00)
Reconciliation of funds:						
Total funds brought forward		1,832,735	6,658,754	77,567,161	86,058,650	87,023,6
Total funds carried forward		1,857,598	6,001,992	81,238,349	89,097,939	86,058,6

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 2019**

	Notes	2019 £	2018 £
Income - continuing operations			
Donations and legacies		4,054,850	3,961,376
Charitable activities		30,825	67,925
Other trading activities		27,250	22,823
Investment income	5	2,305,346	2,308,629
		6,418,271	6,360,753
Expenditure - continuing operations			
Grants	8	7,710,574	7,598,945
Staff costs	9	933,792	815,311
Other costs		340,787	323,508
		8,985,153	8,737,764
Net loss on investments		(91,660)	(52,568)
Net loss for the year before transfers and taxation		(2,658,542)	(2,429,579)
Transfer from endowment fund		2,026,643	2,562,341
Taxation	15	-	-
Net (deficit)/surplus for the year		(631,899)	132,762

The total income of £6,418,271 comprises £1,991,727 for unrestricted funds and £4,426,544 for restricted funds as shown in the statement of financial activities. The total expenditure of £8,985,153 comprises £3,036,090 for unrestricted funds and £5,949,063 for restricted funds as shown in the statement of financial activities.

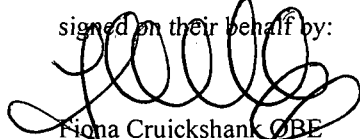
Community Foundation
serving Tyne & Wear and Northumberland

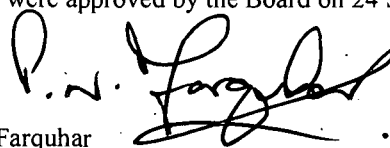
Balance sheets as at 31 March 2019

Registered company number 02273708

	Notes	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Fixed assets					
Endowment fund investments	10	81,115,370	77,458,589	78,306,566	74,725,711
Programme related and other investments	10	721,488	422,235	721,588	422,335
Tangible assets	11	757,690	740,610	757,690	740,610
Total fixed assets		82,594,548	78,621,434	79,785,844	75,888,656
Current assets					
Debtors	12	102,040	202,715	93,416	191,423
Cash on short-term deposit		5,514,232	5,000,000	5,514,232	5,000,000
Cash at bank and in hand		4,533,446	5,084,273	4,396,073	5,001,668
Total current assets		10,149,718	10,286,988	10,003,721	10,193,091
Creditors: amounts falling due within one year	13	(2,649,587)	(1,791,202)	(2,613,541)	(1,767,313)
Net current assets less current liabilities		7,500,131	8,495,786	7,390,180	8,425,778
Total assets less current liabilities		90,094,679	87,117,220	87,176,024	84,314,434
Creditors: amounts falling due after more than one year	14	(996,740)	(1,058,570)	(996,740)	(1,058,570)
Total assets		89,097,939	86,058,650	86,179,284	83,255,864
The funds of the charity:					
Endowment funds	16	81,238,349	77,567,161	78,389,326	74,806,143
Restricted income funds	17	6,001,992	6,658,754	5,932,360	6,616,986
Unrestricted income funds	18	1,857,598	1,832,735	1,857,598	1,832,735
Total charity funds		89,097,939	86,058,650	86,179,284	83,255,864

The financial statements on pages 16 to 47 were approved by the Board on 24 September 2019 and were signed on their behalf by:


Fiona Cruickshank OBE
Chair


Paul Farquhar
Treasurer

Consolidated cash flow statement for the year ended 31 March 2019

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Net cash used in operating activities	23	(4,192,342)	(5,023,663)
Cash flows from investing activities:			
Dividends and interest from investments		2,305,346	2,308,629
Purchase of fixed assets		(47,469)	(8,048)
Proceeds from the sale of investments		9,801,760	16,426,462
Proceeds of assets held for resale		-	93,690
Purchase of investments		(10,872,189)	(14,928,648)
Programme related investments drawn down		(390,913)	(16,875)
Net cash provided by investing activities		796,535	3,875,210
Cash flows from financing activities:			
Receipt of endowment		3,359,212	1,106,213
Net cash provided by financing activities		3,359,212	1,106,213
Change in cash and cash equivalents in the year		(36,595)	(42,240)
Cash and cash equivalents at the beginning of the year	23	10,084,273	10,126,513
Cash and cash equivalents at the end of the year	23	10,047,678	10,084,273

Community Foundation

serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2019

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.

Community Foundation

serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2019

(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 £2,121,883 (2018: £2,125,839) in excess of investment income, was transferred from the main and ethical endowment funds to restricted £1,149,739 and unrestricted £972,144 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 £262 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 2019 and the Directors consider the valuations to be reasonable.

The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year. Realised gains and losses for the year are calculated based on market value brought forward plus any additions in the year. No depreciation is charged on investment properties.

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2019
(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 £650,783 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 2019 was £2,083,403 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 2019
(continued)

1 Accounting policies (continued)

m) 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.

n) 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.

o) 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 2019
(continued)

2 Statement of Financial Activities prior year fund comparatives

	Unrestricted funds	Restricted funds	Endowment funds	Total 201
	£	£	£	
Income and endowments from:				
Donations and legacies	517,060	3,444,316	1,106,213	5,067,58
Charitable activities	24,925	43,000	-	67,92
Other trading activities	6,750	16,073	-	22,82
Investment income	1,052,678	1,255,951	-	2,308,62
Total income and endowments	1,601,413	4,759,340	1,106,213	7,466,96
Expenditure on:				
Raising funds	241,066	35,091	-	276,15
Investment management costs	-	-	252,113	252,11
Charitable activities	2,556,296	5,905,311	-	8,461,60
Total expenditure	2,797,362	5,940,402	252,113	8,989,87
Net (losses)/gains on investments	-	(52,568)	610,472	557,90
Net (loss)/income	(1,195,949)	(1,233,630)	1,464,572	(965,00)
Transfers between funds	976,892	1,585,449	(2,562,341)	
Net movement in funds	(219,057)	351,819	(1,097,769)	(965,00)
Reconciliation of funds:				
Total funds brought forward	2,051,792	6,306,935	78,664,930	87,023,65
Total funds carried forward	1,832,735	6,658,754	77,567,161	86,058,65

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2019
(continued)

3 Charitable activities

	2019	2018
	£	£
Other charitable activities	30,825	67,925

4 Other trading activities

	2019	2018
	£	£
Fundraising event	6,280	16,073
Other trading activities	27,250	6,750
	33,530	22,823

5 Investment income

	2019	2018
	£	£
Dividends and interest from endowment fund assets	2,227,268	2,249,041
Interest receivable on cash deposits	78,078	59,588
	2,305,346	2,308,629

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2019
(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 2019	Total 2018
	£	£	£	£
Support staff costs	34,910	159,347	194,257	154,664
Governance staff costs	9,867	45,038	54,905	48,253
Overhead costs	43,215	165,454	208,669	185,879
Governance direct costs	4,002	18,265	22,267	28,623
	91,994	388,104	480,098	417,419
Included in overhead costs are the following:			2019	2018
			£	£
Auditors' remuneration – audit services			7,000	7,000
Depreciation			29,757	24,126
Loss on disposal of fixed assets			632	-

7 Costs of raising funds

	2019	2018
	£	£
Staff costs	148,666	149,702
Direct costs	15,816	36,475
Support costs	91,994	89,980
	256,476	276,157

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2019
(continued)

8 Charitable activities

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

	2019	2018
	£	£
Grants payable	7,710,574	7,598,945
Staff costs	535,964	462,692
Direct costs	94,035	72,531
Support costs	388,104	327,439
	8,728,677	8,461,607

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

	2019 £	2019 Number	2018 £	2018 Number
Other charities and voluntary organisations	7,680,177	1,310	7,572,201	1,555
Individuals	123,663	205	116,610	234
Total new grants awarded in the year	7,803,840	1,515	7,688,811	1,789
Grants cancelled	(93,266)		(89,866)	
Total grant expenditure	7,710,574	1,515	7,598,945	1,789

A breakdown of grants awarded is shown on page 7. A full listing of grants awarded in the financial year can be found on our website www.communityfoundation.org.uk.

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2019
(continued)

9 Staff costs

Staff costs comprise the following:	2019 £	2018 £
Wages and salaries	807,149	703,628
Social security costs	77,775	68,088
Other pension costs	48,868	43,595
	933,792	815,311

The average number of employees, excluding Trustees/Board Directors, employed by the Group during the year was 24 (2018: 23), full time equivalent 21.8 (2018: 20.06). The ratio of the highest salary to the median salary was 2.3:1 (2018: 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 £289,963 (2018: £278,746) plus £18,520 (2018: £17,844) 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 2018 and 5 April 2019 below:

	5 April 2019	5 April 2018
Mean gender pay gap	8%	8%
Median gender pay gap	-2%	-2%

None of the Trustees/Board Directors received any remuneration during the year (2018: Nil). None of the Directors received reimbursements for expenses during the year (2018: £90).

During the year employees with emoluments over £60,000 were in the following bands:	2019 Number	2018 Number
£60,000 to £70,000	2	-
£80,000 to £90,000	1	1

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2019
(continued)

10 Investments

Endowment fund investments - Group

At valuation	Listed investments £	Deposit & other cash balances £	Freehold property £	Total £
At 1 April 2018	74,463,220	2,659,369	336,000	77,458,589
Additions/movement in the year	10,301,801	570,388	-	10,872,189
Disposals in the year	(9,801,760)	-	-	(9,801,760)
Realised losses in the year	(43,724)	-	-	(43,724)
Unrealised gains in the year	2,580,076	-	50,000	2,630,076
At 31 March 2019	77,499,613	3,229,757	386,000	81,115,370
At cost				
At 31 March 2019	67,544,436	3,229,757	266,500	71,040,693
At 31 March 2018	65,026,854	2,659,369	266,500	67,952,723
Listed investments are detailed as follows:			2019 Market Value £	2018 Market Value £
UK Fixed Interest			6,770,074	6,410,449
UK Equities			24,618,493	23,522,253
Property			2,117,554	2,018,526
Overseas Fixed Interest			833,745	1,329,575
Overseas Equities			26,125,048	26,413,311
Collective Investment Schemes			12,387,878	10,086,050
Other			4,646,821	4,683,056
			77,499,613	74,463,220

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2019
(continued)

10 Investments (continued)

Programme Related Investments – Charity and Group

	Total £
Loaned amounts	
At 1 April 2018	525,684
Advances during the year	390,913
Repayments	-
At 31 March 2019	916,597
Provisions	
At 1 April 2018	103,449
Provided against during the year	91,660
Provision released during the year	-
At 31 March 2018	195,109
Net loaned amounts	
At 31 March 2019	721,488
At 31 March 2018	422,235

Endowment fund investments - Charity

At valuation	Listed investments £	Deposit & other cash balances £	Freehold property £	Total £
At 1 April 2018	71,730,342	2,659,369	336,000	74,725,711
Additions/movement in the year	10,077,623	570,388	-	10,648,011
Disposals in the year	(9,550,632)	-	-	(9,550,632)
Realised losses in the year	(49,374)	-	-	(49,374)
Unrealised gains in the year	2,482,850	-	50,000	2,532,850
At 31 March 2019	74,690,809	3,229,757	386,000	78,306,566
At cost				
At 31 March 2019	65,152,414	3,229,757	266,500	68,648,671
At 31 March 2018	62,660,694	2,659,369	266,500	65,586,563

**Notes to the financial statements for the year ended 31 March 2019
(continued)**

10 Investments (continued)

	2019 Market Value £	2018 Market Value £
Listed investments are detailed as follows:		
UK Fixed Interest	6,436,228	6,068,591
UK Equities	23,552,991	22,467,189
Property	2,003,586	1,912,235
Overseas Fixed Interest	833,745	1,329,575
Overseas Equities	25,054,621	25,402,046
Collective Investment Schemes	12,242,384	9,949,317
Other	4,567,254	4,601,389
	74,690,809	71,730,342

Other investments – Charity

At cost and valuation	Unlisted investments £
At 1 April 2018	100
At 31 March 2019	100

Unlisted investments held by the charity relate to £100 (2018: £100) investment in the subsidiary company Tyne & Wear Foundation Limited at cost. At 31 March 2019 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. At the year end the restricted reserve balance was £2,804,891 (note 17) (2018: £2,896,551) 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 2019 was £2,083,403 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 £1,211,353 for the full group (2018: £2,171,819). 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 2019
(continued)

11 Tangible fixed assets

Group and Charity

	Land & Buildings £	Furniture & equipment £	Office improve- ments	Total £
Cost				
At 1 April 2018	750,000	55,748	33,472	839,220
Additions	-	47,469	-	47,469
Disposals	-	(5,718)	-	(5,718)
At 31 March 2019	750,000	97,499	33,472	880,971
Accumulated Depreciation				
At 1 April 2018	48,750	40,273	9,587	98,610
Charge for the year	15,000	11,409	3,348	29,757
Disposals	-	(5,086)	-	(5,086)
At 31 March 2019	63,750	46,596	12,935	123,281
Net book value				
At 31 March 2019	686,250	50,903	20,537	757,690
At 31 March 2018	701,250	15,475	23,885	740,610

12 Debtors

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Other debtors	36,923	125,280	36,923	125,280
Dividends and interest receivable	65,117	77,435	56,493	66,143
	102,040	202,715	93,416	191,423

Notes to the financial statements for the year ended 31 March 2019
(continued)

13 Creditors: amounts falling due within one year

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Other creditors and accruals	214,345	136,890	214,345	136,890
Taxation and social security costs	21,881	19,818	21,881	19,818
Grants payable	2,413,361	1,634,494	2,377,315	1,610,605
	2,649,587	1,791,202	2,613,541	1,767,313

Other creditors include amounts totalling £61,830 (2018: £60,620) relating to amounts due to a number of organisations of outstanding grant commitments transferred from Northern Rock Foundation under deeds of assignment as part of their winding up process.

14 Creditors: amounts falling due after more than one year

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Other creditors and accruals	996,740	1,058,570	996,740	1,058,570

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.

15 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.

	2019 £	2018 £
Corporation tax payable	-	-

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2019
(continued)

16 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 2018	77,567,161	74,806,143
Transfers between funds:		
Total returns endowment withdrawal	(2,122,145)	(2,122,145)
Transfers to endowment from income funds	97,844	97,844
Exceptional withdrawal from endowment funds	(2,342)	(2,342)
Net income before transfers	5,697,831	5,609,826
At 31 March 2019	81,238,349	78,389,326

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 £2,122,145 (including Community First indexed gain withdrawal) and is shown as a transfer from the endowment fund. A withdrawal of £2,342 was made from the Jeremy Beecham Schools Fund, all of which was 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 2019
(continued)

17 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 2019 have received sufficient funds to return them to credit.

	At 1 April 2018 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2019 £
Frank Acfield	72	978	1,050	-	-
Akzo Nobel International Paint	(470)	8,587	7,619	500	(2)
Akzo Nobel International Paint	-	-	-	-	-
Community First	-	-	-	-	-
Abbott Memorial Grants	2,700	-	1,600	-	1,100
Asian	(409)	5,803	4,000	-	1,394
Stuart Ayre	-	1,867	1,867	-	-
Nancy Barbour Award	2,941	5,573	5,000	-	3,514
Sir Jeremy Beecham	-	1,258	4,450	(2,342)	(850)
Bellingham	1,797	2,621	3,284	-	1,134
Berwick Academy Endowment	18,146	9,009	13,587	-	13,568
Blackett Family Community	-	-	-	-	-
First	(10)	3,162	3,260	-	(108)
EDF Energy Blyth Offshore	-	-	-	-	-
Demonstrator Wind Farm	-	-	-	-	-
Community Benefit	-	60,500	73,834	5,500	(18,834)
Enid Blyton Fund for Seven	-	-	-	-	-
Stories	-	40,437	40,437	-	-
Bowey Community First	2	-	-	-	2
Ron & Louise Bowey	-	-	-	-	-
Grassroots	(3,445)	12,318	-	-	8,873
Carolyn and Tony Brookes	1,815	2,406	2,994	-	1,227
Burnell Community First	-	-	-	-	-
Lawrence Campbell	-	-	-	-	-
Community First	691	2,780	4,000	-	(529)
Canford Audio	496	485	800	-	181
Capacitybuilders CPP	5,458	-	-	-	5,458
Chapman	(268)	25,108	22,798	-	2,042
Chronicle Sunshine	-	10,736	10,736	-	-
Comic Relief	5,517	-	-	5,517	-
Comic Relief Community Cash	45	-	(1,000)	1,000	45
Comic Relief Local	-	-	-	-	-
Communities	43,851	-	44,850	(1,000)	1
Comic Relief Large Grant	11	-	-	11	-
Community Ventures	217	-	-	-	217
Sir Tom Cowie	31,850	72,689	83,705	-	20,834
Stephen & Abigail Crampton	1,415	1,801	1,865	-	1,351
Culture Bridge	1,689	7,304	7,374	-	1,619
Culture Partnerships	74,887	-	-	74,887	-
John D Grassroots	-	-	(1,678)	1,678	-
Duncan & Sarah Davidson	(820)	6,043	5,280	-	(57)
Pamela and Dorothy Denham	524	2,840	2,000	-	1,364
Carried forward	188,702	284,305	343,712	85,751	43,544

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2019
(continued)

17 Income funds - restricted (continued)

	At 1 April 2018	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2019
	£	£	£	£	£
Brought forward	188,702	284,305	343,712	85,751	43,544
Pamela Denham Community First	-	-	-	-	-
Pamela Denham Grassroots	2,644	495	2,500	-	639
David Dockray's West End	-	-	-	-	-
Young People's	(3,998)	45,474	42,500	30	(1,054)
Dream Jar	1,001	1,688	1,500	-	1,189
The Edwin John Easydorchik	-	-	-	-	-
Travelling Scholarship	2,516	5,526	3,000	-	5,042
Enviresearch	4,770	15,000	5,375	1,500	12,895
ESF Community Grants	55	(60)	(60)	-	55
Evangelical	14,684	8,256	-	-	22,940
Express Enterprise	2,907	1,157	2,076	-	1,988
FARNE	5,910	18,428	-	23	24,315
David & Gitta Faulkner	1,830	1,781	2,130	-	1,481
Fausta and Rosemary	-	-	-	-	-
Community First	-	-	-	-	-
Fergusons of Blyth	17,610	7,617	-	-	25,227
Fogo Community First	-	-	-	-	-
Gateshead Capacity Building	8,600	263,827	230,993	21,000	20,434
David Goldman Awards	-	29,243	29,243	-	-
Allison Greenlees Continuation	-	6,033	3,000	3,033	-
The EDF Energy Green Rigg	-	-	-	-	-
Wind Farm Community Benefit	32,287	40,797	27,963	20,641	24,480
The EDF Energy Renewables	-	-	-	-	-
Barmoor Windfarm Community	65,976	70,918	62,171	6,447	68,276
Benefit	-	-	-	-	-
Jackie Haq Fund for Scotswood	2,724	1,743	1,030	-	3,437
Heyman Scholarships	27,300	8,957	25,725	-	10,532
Joy Higginson	596	1,298	-	-	1,894
High Sheriff of Northumberland	8,320	70,220	47,000	24,957	6,583
Hokey Cokey Community First	-	-	-	-	-
Hoult Family Community First	-	-	-	-	-
Hoult Family Grassroots	789	2,564	2,000	1,000	353
The HunterPemberton	-	-	-	-	-
Community First	3,103	1,918	5,300	-	(279)
Innogy Renewables UK Kiln Pit	-	-	-	-	-
Hill Wind Farm Community	2	19,087	9,527	1,736	7,826
Josephs Family	(2)	1,304	650	-	652
JPMorgan	2,917	2,396	5,313	-	-
Kellett	634,831	372,666	406,865	-	600,632
Kerry Community First	1,693	1,247	2,500	-	440
Kerry Grassroots	3,788	3,212	5,170	-	1,830
June King	-	2,630	2,630	-	-
Latterford	533	663	1,000	-	196
Lendrum Community First	1,935	1,721	5,742	-	(2,086)
Capt. C.D. Leyland	3,157	4,019	2,500	-	4,676
Linden Community First	-	-	-	-	-
Local Environmental Action	24,452	60,606	66,987	(20,232)	38,303
Carried forward	1,061,632	1,356,736	1,346,042	145,886	926,440

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2019
(continued)

17 Income funds - restricted (continued)

	At 1 April 2018	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2019
	£	£	£	£	£
Brought forward	1,061,632	1,356,736	1,346,042	145,886	926,440
George Loggie	10,093	1,220	9,238	-	2,075
Lady Betty Martin Fund within the North East Fund for the Arts	1,670	8,195	6,750	-	3,115
Grigor McClelland Community First	804	-	-	-	804
Moor	-	388	388	-	-
Muckle LLP Grassroots	-	-	(250)	250	-
Nash	570	8,933	9,717	-	(214)
NEF Grassroots	3,335	1,669	-	-	5,004
Newcastle Culture Investment	29,831	625,057	659,658	39,676	(44,446)
North East Endowment for Musical Traditions	2,511	6,637	6,980	450	1,718
North East Fund for the Arts	(917)	5,005	4,000	-	88
North East Social Investment	2,896,551	-	-	91,660	2,804,891
Northern Angel	8,856	20,865	29,300	-	421
Northern Powergrid Community Energy Seed	3,493	2,056	(562)	5,549	562
Northern Rock Foundation Legacy Grants	291,443	-	192,433	55,000	44,010
North Tyneside	(157)	1,681	1,524	-	-
Northumberland Group	(1,810)	33,503	31,692	-	1
Northumberland Wildlife Trust	-	1,092	1,092	-	-
Out & About	28,508	5,274	24,036	-	9,746
Partnership programme	65,341	-	-	-	65,341
Patch	20,078	15,177	18,000	-	17,255
Pea Green Boat Community First	748	38,622	44,059	750	(5,439)
Pen & Palette Club Fund within the North East Fund for the Arts	-	4,793	3,950	-	843
Percy Family	5,965	9,181	15,000	-	146
Philanthropy House	749,893	-	-	-	749,893
Platten Family Community First	19,394	270	(420)	19,622	462
Port of Tyne Community Action	2,077	4,600	4,500	552	1,625
Prudhoe League of Friends	9,901	3,665	12,713	-	853
Geoffrey and Ann Purves	-	428	-	428	-
Ray Wind Farm Small Grants Programme	100,000	200,970	165,009	20,000	115,961
Readman Community First	-	-	-	-	-
Readman Family Grassroots	18,655	69,816	80,031	-	8,440
Readman Foundation	248,077	1,924	147,665	14,766	87,570
Carrie Reay Grassroots	1,110	3,832	3,750	-	1,192
REEDS Community First	-	-	-	-	-
REEDS Grassroots	24,358	15,606	18,715	-	21,249
Riddell Family Community First	311	15,083	14,525	-	869
Riding Grange Grassroots	885	3,236	3,600	-	521
Jane Robertson Alnwick	2,015	3,224	1,990	-	3,249
Brian Roycroft	4,682	8,027	18,751	(9,887)	3,845
Carried forward	5,609,903	2,476,765	2,873,876	384,702	4,828,090

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2019
(continued)

17 Income funds - restricted (continued)

	At 1 April 2018	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2019
	£	£	£	£	£
Brought forward	5,609,903	2,476,765	2,873,876	384,702	4,828,090
RWE Innogy UK Middlemoor					
Wind Farm Community	23,784	100,519	62,445	9,138	52,720
Sage Gateshead	-	702,399	702,399	-	-
Smail Family	1,765	4,466	6,231	-	-
Henry Smith Charity	730,800	1,463,700	1,329,500	-	865,000
Sport Relief	5,616	-	-	5,616	-
Spriggs Family Community					
First	-	-	-	-	-
Trikoli & Shohba Srivastava					
Community First	213	174	500	(262)	149
Sunderland Industrial &					
Reformatory School	1,068	1,328	2,599	-	(203)
Suz Grassroots	3,478	1,657	-	-	5,135
Taylor	(1)	20,087	20,086	-	-
Third Sector Trends	7,243	-	48,250	(40,000)	(1,007)
Thornton Family Grassroots	668	3,990	4,345	-	313
Three Valleys	4,174	11,704	12,920	-	2,958
Tiny Lives	-	94,184	94,184	-	-
Tyne & Wear High Sheriff					
Awards	2,142	47,003	39,500	3,779	5,866
Tyne & Wear High Sheriff					
Community First	-	-	-	-	-
Tyne & Wear Grassroots	-	835	835	-	-
Ventient Sisters North Steads					
Wind Farm Community Benefit	146,015	146,850	163,836	13,350	115,679
Vicky F Grassroots	2,922	1,388	-	-	4,310
Virgin Money	5,848	3,577	8,500	-	925
Vital Gateshead	561	7,534	7,595	(1,857)	2,357
Vital Newcastle	958	5,397	5,067	(1,857)	3,145
Vital North Tyneside	302	1,408	1,369	(1,857)	2,198
Vital Northumberland	700	18,433	18,777	(1,857)	2,213
Vital South Tyneside	325	1,374	1,371	(1,858)	2,186
Vital Sunderland	1,445	6,616	6,483	(1,858)	3,436
Ted Weekes	(285)	13,259	12,975	-	(1)
The Wellesley Trust	7,326	284,121	281,256	(3,178)	13,369
The Wellesley Trust					
Community First	13,178	-	-	13,178	-
Mark and Ian Wilson Family	-	1,741	-	-	1,741
Wood	5,268	7,328	2,400	-	10,196
CH Wood	(6)	5,058	5,000	-	52
Women's	12,715	31,657	34,867	855	8,650
Women's Community First	1	-	-	-	1
Young Musician's	1,360	5,713	4,619	(428)	2,882
Youth Social Action	27,500	27,500	100,000	(45,000)	-
Total Community Foundation	6,616,986	5,497,765	5,851,785	330,606	5,932,360

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2019
(continued)

17 Income funds - restricted (continued)

	At 1 April 2018 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2019 £
Total Community Foundation	6,616,986	5,497,765	5,851,785	330,606	5,932,360
Joseph Brough Charitable Trust	10,812	54,457	36,942	30	28,297
Tyne and Wear Foundation Trust	30,986	24,061	13,682	-	41,365
Tyne & Wear Foundation Limited	(30)	-	-	-	(30)
Total Group	6,658,754	5,576,283	5,902,409	330,636	6,001,992

Income and transfers include credits of £1,149,739 transferred from the main and ethical endowment funds to distribute as income on a total returns basis. Other outgoings include transfers between funds of £192,322, staff costs of £22,946, amortisation of Programme Related Investments of £91,660 and other fund expenses of £23,708. 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, Local Environmental fund includes income from Ivy and Gilbert Purvis fund and Sandra King Rainy Day fund, and High Sheriff of Northumberland Youth fund includes income from the Burnell Family and Community First funds.

18 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 2019 have received sufficient funds to return them to credit.

	At 1 April 2018 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2019 £
Adderstone	6,093	12,306	18,399	-	-
Anonymous	2,124	3,296	-	-	5,420
Appletree	959	11,391	10,000	20	2,330
Barley Hill	3,025	3,936	5,075	-	1,886
Barnes	4,485	7,658	11,827	-	316
Christopher Beadle	3,174	5,402	8,000	-	576
Charles Robert Bell	-	12,688	12,688	-	-
John Bell	(4,799)	66,699	62,764	-	(864)
Bellway	(42)	3,045	2,990	-	13
Sara Alexandra Bernstone	-	557	-	-	557
Bonas Machine Company	465	1,908	1,500	-	873
Ron and Louise Bowey	(976)	38,797	-	-	37,821
Dawn Brown	-	1,240	-	-	1,240
The Muriel Campbell	(26)	1,442	1,400	-	16
Carr-Ellison Charitable Trust	4,359	11,359	10,750	-	4,968
Carroll Savage	-	786	-	-	786
Chrysalis	2,717	1,953	2,910	-	1,760
Daphne & Martin Cookson	(233)	4,643	2,250	-	2,160
Roland Cookson	-	72,175	72,175	-	-
Carried forward	21,325	261,281	222,728	20	59,858

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2019
(continued)

18 Income funds - unrestricted (continued)

	At 1 April 2018	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2019
	£	£	£	£	£
Brought forward	21,325	261,281	222,728	20	59,858
Roland Cookson Community	325	20,260	19,000	2,062	(477)
Coquet	3,000	-	2,000	-	1,000
Crozier	-	2,333	-	2,333	-
John D Endowment	(313)	13,706	15,493	(1,678)	(422)
Dickon Trust	(535)	75,676	75,745	-	(604)
Elgon	(195)	1,141	-	-	946
Fogo	7,251	30,525	32,825	-	4,951
John Paul Getty Jnr	82,500	-	72,500	10,000	-
Gateshead Housing Company Community	(2,939)	45,000	33,974	8,000	87
George & Peggy	(5)	4,971	4,600	-	366
The Giving Network	-	5,542	-	(4,553)	10,095
Groves Family	-	4,769	3,250	-	1,519
Michael & Christine Heppell	1,740	3,222	2,000	-	2,962
The Hokey Cokey (that's what it's all about)	1,718	2,589	2,000	-	2,307
P'Anson Family	(879)	2,855	2,000	-	(24)
If only...	-	1,573	-	-	1,573
Sir James Knott	-	2,242	2,242	-	-
John Laing	5,449	5,229	8,333	-	2,345
William Leech Charity	69,587	22,294	22,100	-	69,781
Leech Challenge	(169)	3,280	500	-	2,611
Linden Family	(105)	88,384	93,068	-	(4,789)
FB & PFB Lough	-	24,697	-	-	24,697
Grigor McClelland	56,480	13,249	68,421	-	1,308
Daisy Marr	2,978	30,264	30,884	-	2,358
Lily Matthews	12,770	-	-	-	12,770
Maudslay Family	233	2,443	2,500	-	176
G S May Family	4,473	6,118	8,000	-	2,591
McIntosh	67	1,327	1,000	-	394
Muckle LLP	7,136	30,756	28,890	686	8,316
Ronald Edward Murray	113,476	-	-	25,000	88,476
Newcastle Brown Ale	(167)	5,169	4,375	-	627
Newcastle Building Society Community	(5,095)	364,861	264,041	95,725	-
Emma Newton	1,320	5,157	2,900	-	3,577
North 150	246	-	-	-	246
North East Brewers	1,720	6,486	8,206	-	-
Northern Powergrid	(42)	16,780	16,720	-	18
Northumbrian Water	(88)	6,169	5,090	-	991
Pattinson Estate Agents	1,878	6,866	5,250	-	3,494
Philanthropy North East Story	42,250	36,500	8,000	63,200	7,550
Platten Family	215,359	103,760	46,466	(3,234)	275,887
PricewaterhouseCoopers	2,039	1,926	1,650	-	2,315
Prime	-	29,255	29,413	-	(158)
Proudfoot Family	-	1,268	496	-	772
P&G	(258)	58,603	58,345	-	-
Guy Readman endowment	156,188	132,889	85,000	-	204,077
Carried forward	800,718	1,481,415	1,290,005	197,561	794,567

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2019
(continued)

18 Income funds - unrestricted (continued)

	At 1 April 2018 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2019 £
Brought forward	800,718	1,481,415	1,290,005	197,561	794,567
Ringtons	13,873	51,692	50,376	-	15,189
Rolls-Royce	-	2,101	2,100	-	1
St Cuthbert's	6,940	2,170	1,880	-	7,230
SJB	1,774	7,018	8,705	-	87
Johnnie & Tricia Smith	885	4,108	3,000	-	1,993
Barry & Faga Speker	1,063	1,594	2,800	-	(143)
Spriggs Family	1,521	591	2,000	-	112
Square One Law	2,000	12,500	12,150	1,500	850
Squires Foundation	2,012	25,143	34,472	4,412	(11,729)
Shobha and Triloki Srivastava					
Grassroots	398	2,160	2,000	-	558
Star	2,528	10,169	11,500	-	1,197
TESS	6	3,191	3,000	-	197
Treeline	1,179	3,484	3,950	-	713
Vaux	(698)	8,616	7,918	-	-
Ward Hadaway	1,766	4,474	1,750	288	4,202
Watkin Family	-	29,303	24,700	-	4,603
Watson Family	415	-	414	-	1
Weightman	1,438	1,378	2,594	-	222
Willis Charitable	1,001	885	1,600	-	286
The Lucy Winkell	-	1,192	-	-	1,192
Winter Family	2,887	16,243	17,775	-	1,355
Robert Wood Trust	(655)	4,569	3,914	-	-
Other general grant-making funds	355,147	436,079	319,562	127,373	344,291
Total designated funds	1,196,198	2,110,075	1,808,165	331,134	1,166,974
Administrative fund	636,537	853,796	-	799,709	690,624
Total Community Foundation	1,832,735	2,963,871	1,808,165	1,130,843	1,857,598
Total Group	1,832,735	2,963,871	1,808,165	1,130,843	1,857,598

Income and transfers include £972,144 transferred from the main and ethical endowment funds to distribute as income on a total returns basis. Other outgoing and transfers consist of a credit of £97,082 transferred between funds, £910,846 staff costs, £81,467 designated fund expenses (including fundraising event costs) and other net administrative costs of £235,612.

A number of funds contribute to the Community Foundation's general unrestricted grant funds, including Crosshatch, Crozier, Tony Follows Legacy, Ian and Jane Gregg, Greggs plc, Sir James Knott Trust, Mitford, Templeton, Tolent, Tyne Tees Television, and two anonymous funds. In addition to the funds listed in restricted and unrestricted funds there are 14 acorn funds at the year end, a number of which currently donate their income to other funds and they will appear in the above analysis once they reach maturity.

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Notes to the financial statements for the year ended 31 March 2019
(continued)

19 Analysis of net assets between funds

Group

	Unrestricted funds	Restricted funds	Endowment funds	2019 Total
	£	£	£	£
Investments	-	721,488	81,115,370	81,836,858
Tangible fixed assets	71,440	686,250	-	757,690
Current assets	2,506,953	7,412,979	229,786	10,149,718
Current liabilities	(720,795)	(1,821,985)	(106,807)	(2,649,587)
Creditors due after one year	-	(996,740)	-	(996,740)
Total net assets	1,857,598	6,001,992	81,238,349	89,097,939

Charity

	Unrestricted funds	Restricted funds	Endowment funds	2019 Total
	£	£	£	£
Investments	-	721,588	78,306,566	79,028,154
Tangible fixed assets	71,440	686,250	-	757,690
Current assets	2,506,953	7,307,201	189,567	10,003,721
Current liabilities	(720,795)	(1,785,939)	(106,807)	(2,613,541)
Creditors due after one year	-	(996,740)	-	(996,740)
Total net assets	1,857,598	5,932,360	78,389,326	86,179,284

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Notes to the financial statements for the year ended 31 March 2019 (continued)

20 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 £48,868 (2018: £43,595). Outstanding contributions at 31 March 2019 were £176 (2018: £516).

21 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 £9,698,965 (2018: £7,385,768) and its net income for the year was £2,923,420 (2018: net deficit £920,035) after the addition of gains on investments of £2,391,816 (2018: £601,915).

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 (2018: nil). A summary of results of the subsidiary company is shown below:

	Total 2019 £	Total 2018 £
Turnover	-	-
Cost of sales	-	-
Operating profit	-	-
Administrative costs	-	-
Net profit	-	-

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Notes to the financial statements for the year ended 31 March 2019
(continued)

21 Subsidiary company and charities (continued)

The aggregate of the assets and liabilities was:	Total	Total
	2019	2018
	£	£
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
	2019	2018
	£	£
Investment income	59,457	70,954
Charitable activities	(41,972)	(57,453)
Investment management costs	(7,151)	(7,105)
Gains/(losses) on investments	82,904	(7,565)
Net movement in funds	93,238	(1,169)

The aggregate of the assets, liabilities and funds was:

	Total	Total
	2019	2018
	£	£
Assets	2,069,950	1,964,770
Liabilities	(26,942)	(15,000)
Funds	2,043,008	1,949,770

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Notes to the financial statements for the year ended 31 March 2019
(continued)

21 Subsidiary company and charities (continued)

Represented by:	Total 2019 £	Total 2018 £
Permanent endowment fund	2,014,711	1,938,958
Restricted funds	28,297	10,812
Funds	2,043,008	1,949,770

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 2019 £	Total 2018 £
Investment income	30,782	27,590
Donations and legacies	279	-
Investment management costs	(7,720)	(7,594)
Charitable activities	(20,682)	(27,355)
(Losses)/gains on investments	19,972	(36,446)
Net movement in funds	22,631	(43,805)

The aggregate of the assets, liabilities and funds was:

	Total 2019 £	Total 2018 £
Assets	884,781	861,935
Liabilities	(9,104)	(8,889)
Funds	875,677	853,046

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Notes to the financial statements for the year ended 31 March 2019
(continued)

21 Subsidiary company and charities (continued)

Represented by:	Total 2019 £	Total 2018 £
Permanent endowment fund	834,312	822,060
Restricted funds	41,365	30,986
Funds	875,677	853,046

22 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.

During the year Directors and their associated companies donated a total of £805,098 (2018: £433,796) to Community Foundation named endowment and revenue funds, and £1,144 (2018: £258) 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 £
Charlotte Straker Project	Lady Blackett	Trustee	72,175
Derwenthough Boat Station	Lucy Winskell OBE	Honorary President	2,970
New Writing North	Claire Malcolm	Employee	25,000
Northumberland Wildlife Trust	Sandra King	Trustee	26,106
November Club	Rob Williamson	Trustee	2,600

As part of the GeNeRosity Festival, £10,000 was paid to November Club to deliver workshops and develop a commissioned piece of work as part of the festival:

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Notes to the financial statements for the year ended 31 March 2019
(continued)

23 Cash flow information for the Group

Reconciliation of net income to net cash flow from operating activities

	2019 £	2018 £
Net income/(deficit) for the year	3,039,289	(965,007)
Adjustments for:		
Receipt of endowment	(3,359,212)	(1,106,213)
Depreciation charges	29,757	24,126
Gains on endowment investments	(2,586,352)	(610,472)
Loss on sale of assets for resale	-	3,310
Loss on disposal of fixed assets	632	-
Losses on programme related investments	91,660	52,568
Dividends and interest from investments	(2,305,346)	(2,308,629)
Decrease in debtors	100,675	31,334
Increase/(decrease) in creditors	796,555	(144,680)
Net cash used in operating activities	(4,192,342)	(5,023,663)

Analysis of cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	4,533,446	5,084,273
Short-term deposits	5,514,232	5,000,000
Total cash and cash equivalents	10,047,678	10,084,273

24 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.