

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

Annual financial statements
for the year ended 31 March 2023

Registered company number 02273708

Registered charity number 700510



Community Foundation
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Annual financial statements
for the year ended 31 March 2023

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Community Foundation

serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2023

Introduction

The Board presents its report and the audited consolidated financial statements for the year ended 31 March 2023.

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 of UK Community Foundations, registered charity number 1004630, which supports and promotes good practice between community foundations in the United Kingdom. The Community Foundation manages certain 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 2023 (continued)

Advisers

Independent Auditors

Azets Audit Services
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

RBC Brewin Dolphin Limited
Time Central
Gallowgate
Newcastle upon Tyne
NE1 4SR

CCLA Investment Management Limited
One Angel Lane
London
EC4R 3AB

Cazenove Capital (from May 2023)
1 London Wall Place
London
EC2Y 5AU

Solicitors

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

Community Foundation

serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2023 (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, 2018 and 2021. A revision to the Charity's objects, which had been approved by the Charity Commission, was adopted at the 2018 Annual General Meeting. At an EGM held in September 2021, members approved amended Articles to allow for meetings to be held virtually.

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. Each new Board Member is given an induction pack and attends induction sessions with the executive team and meets the Chair. The Nominations 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 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 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 2023 (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:

- Governance, Finance and Audit Committee (G,F&A)
- Investment Committee (Inv)
- Nominations Committee (Nom)
- NorthEast100 (NE100)

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:

Phil Moorhouse – Chair co-opted October 2021	(G, F&A, Inv, Nom, NE100)
Geoffrey Hodgson – Deputy Chair to October 2022 co-opted June 2013, elected October 2013, resigned October 2022	(G,F&A, Nom)
Lucy Winskell OBE – Deputy Chair from October 2022 elected December 2016	(G,F&A, NE100)
Paul Farquhar - Treasurer co-opted March 2018	(G,F&A, Inv)
Jill Baker co-opted June 2019	
Anna, Lady Blackett co-opted December 2015, resigned October 2022	(Inv)
Michael Brodie CBE co-opted February 2020	(Nom)
Robin Fry appointed December 2020, resigned October 2022	(Nom)
Sarah Glendinning co-opted October 2022	(NE100)
Andrew Haigh elected December 2016	(Inv)
Colin Hewitt elected October 2021	(Inv, G,F&A)
Claire Malcolm MBE co-opted March 2019	(G,F&A)
Patrick Melia appointed December 2016 to represent statutory authorities	(Inv)
Laura Warwick appointed November 2018	(Nom)
Stella Simbo elected October 2022	(Nom)
Fiona Standfield co-opted October 2022	(Inv)

Patrick Melia will retire at the 2023 Annual General Meeting having agreed to serve one extra year beyond the usual two three-year terms.

Community Foundation **serving Tyne & Wear and Northumberland**

Annual report for the year ended 31 March 2023 (continued)

Structure, governance and management (continued)

The Board also appoints a President, Vice Presidents and Patrons in recognition of their distinguished service to the community or contributions to the Community Foundation. These are honorary positions with no formal powers or duties. The Board reviewed appointments in September 2020. 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
Sonia Waugh	Chief Finance and Operating Officer and Deputy Chief Executive Officer
John Hollingsworth	Chief Philanthropy Office and Deputy Chief Executive Officer
Adam Lopardo	Director of Community Relations

At the year-end there was a total of 24 staff (full time equivalent 21.29).

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 him 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 2023 (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 grow giving and philanthropy, matching generous people with the region's important community causes. The Community Foundation does this by:

- enabling people from all walks of life to set up charitable funds, give collectively or share expertise;
- supporting small, local charities and community organisations through grants from funds and help from networks;
- shining a light on vital issues affecting the area and working with others to tackle them;
- building endowment as an asset for communities now, and for generations to come.

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 non-financial sector support, research projects, 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

2022-23 was the third year of the Community Foundation's strategy to 2025. During the year, we responded to the impact of the rise in the cost of living, publishing research and running a dedicated grant programme supported by new and existing donors. We also implemented our new responsible investment policy including conducting a review of our investment service providers.

Community Foundation

serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2023 (continued)

Strategic report (continued)

Achievements and performance (continued)

Other achievements during the year are set out below. More detailed descriptions of activities and their impact are included in the Community Foundation's yearbook.

Goal 1: enable more and better philanthropy

- £0.9m in endowment gifts and £2.8m in revenue gifts were received.
- 10 new funds were established.
- We completed a marketing review and implemented its findings.
- A Welcome to Philanthropy event was held for new donors alongside webinars on cost of living and on cyber-crime.
- We went live with a new online giving platform, Enthuse.

Goal 2: support our region's small local charities and community organisations

- 1,406 grants (2022: 1,376) totalling £7.86m (2022: £8.57m) were awarded, exceeding the baseline of £6.8m and the five-year target of £7.5m. The majority continued to be for amounts under £5,000. In total 632 organisations and 119 individuals were supported. The table below shows the breakdown by fund type.

Fund type	No of grants	Total awards
Individual and family funds	445	2,199,877
Corporate funds	281	1,076,080
Charity and trust funds	324	1,821,534
Collective funds	240	756,481
Projects and partnership funds	91	1,143,027
Agency funds (benefiting a named organisation)	25	860,382
Total grants awarded by the full Group	1,406	7,857,381

- Distributed over £300,000 to address the cost-of-living crisis.
- Funding was delivered for partners including Newcastle and Gateshead Councils.
- Grant-making support services were delivered for Ridley Family Charity and the Bernicia Foundation.
- 101 organisations benefited from trustee- and skills-matching, training and pro bono consultancy.

Goal 3: understand and act on vital issues affecting our communities

- Continued supporting participatory grant-making pilots in Sunderland and with Black, Asian and minoritised communities.
- Sat on technical panel of Pro Bono Economics' Law Commission on Civil Society and contributed to its final report.
- Held in-person annual meeting for first time since 2019 with guest speaker Gus, Lord O'Donnell.

Goal 4: build and sustain our endowment to £100m and beyond

- Implemented a new responsible investment policy and conducted a review of investment service providers.
- Completed transfer of the Joyce Trust

Community Foundation serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2023 (continued)

Strategic report (continued)

Achievements and performance (continued)

Goal 5: be a shining example of an effective charitable foundations accountable to the people it serves

- Signed the Funder Commitment on Climate Change
- Recruited to all trustee vacancies and increased Board diversity against agreed benchmarks.
- Implemented hybrid working arrangements.
- Achieved continuing excellence in regional Better Health at Work scheme.
- Launched a new and updated website to improve content and navigation for users.
- 72% of core costs covered by endowment and revenue fund contributions

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 which meets the requirements of the Charity Commission, Fundraising Regulator and Information Commissioner's Office. Almost all income generation activity is done by Foundation staff directly or on our behalf through introductions made by ambassadors and professional advisors. We 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 have formal agreements in place that deal with risks to the Foundation and ensure transparency. We do 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.

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 safeguarding 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

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Annual report for the year ended 31 March 2023 (continued)

Strategic report (continued)

Programme related investments (continued)

signing the novation of the Loan Fund on 12 April 2016. The full value of the novation of £3m was recognised within donations to restricted funds at the time of the novation.

Financial review

Net assets at 31 March 2023 were £96.18m (2022: £104.09m). £89.23m of the assets related to endowment funds (2022: £95.94m). The total unrealised and realised losses on investments amounted to £4.48m (2022: gains £5.67m). There were new donations to the endowment funds during the year of £0.87m (2022: £1.32m), and fees and transfers out of endowment of £3.15m (2022: £4.60m). The expendable endowment (charity only) is treated by the Trustees as long-term capital to provide income for future grant-making. Further details of performance of subsidiary undertakings are detailed in note 22. The investments were managed by Rathbone Investment Management, Investec Wealth & Investment Management, CCLA Investment Management and RBC Brewin Dolphin, to achieve maximum total returns and provide an agreed amount annually for grant-making. CCLA Investment Management also manages 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 peer group benchmark, ARC Charity Steady Growth, 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. During the year a full review of investment managers was carried out and after the year end Cazenove Capital were appointed as managers for part of the main fund with assets being transferred from Investec Wealth & Investment Management, RBC Brewin Dolphin and some funds from CCLA.

Clear guidelines have been agreed in relation to asset allocation and these were also reviewed by the Investment Committee quarterly. On the full year's performance, the main fund performed ahead of the ARC benchmark with a total return average of minus 2.74% compared to the benchmark of minus 4.10%. The Board were content with performance on the other smaller funds in light of the very difficult financial market conditions.

Total income and endowment for the year totalled £5.87m (2022: £6.37m). The main sources of income were new donations and investment income. The main resources expended were for charitable grants of £7.77m net (2022: £8.54m net).

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 2023 of £2,065,105 includes £1,291,835 set aside for designated funds which are solely for future grant-making, and the balance of £773,270 (the Administrative fund) less fixed assets of £31,635, £741,635 is the general reserve available to meet future administration and development expenditure.

Community Foundation serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2023 (continued)

Strategic report (continued)

Financial review – reserves (continued)

The Board reviewed its reserve levels in March 2023 and designated £50,000 of the general reserves to support running costs during the 2023-24 financial year. 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 £691,635 which was within the range calculated, minimum level of £351,000 and the maximum £694,000. The Board is confident that reserves and the overall assets of the Community Foundation are sufficient to continue as a going concern.

Plans for future periods

In March 2020 the Board agreed a 10-year vision to see communities thrive across North East England, with fairness and generosity changing lives and helping everyone feel they belong. This means having a strong and vibrant civil society. So, our ambition is to be the region's most trusted and effective charitable foundation, supporting small, local charities and community organisations through more and better philanthropy. The Board agreed a 5-year strategy to work towards its vision and ambition based on five goals:

- To enable more and better philanthropy
- To be great at supporting the region's small, local charities and community organisations
- To understand and act on vital issues affecting communities
- To build and sustain the endowment to £100m and beyond
- To be a shining example of an effective charitable foundation accountable to the people it serves.

The targets for the period are below.

KEY PERFORMANCE INDICATORS	2020-25 TARGET
Total endowment value	£100m
Rolling average annual gifts to endowment	£3.0m
Annual gifts to revenue and programme funds	£2.6m
Percentage of total grants from endowment funds	70%

Key priorities for 2023-24 are as follows.

- Identify and cultivate major gifts in line with endowment targets.
- Engage the regional diaspora and regional businesses.
- Increase distribution from existing funds and through longer-term grants.
- Improve grantee experience and grant-making efficiency.
- Continue to deliver non-financial support responding to the needs of the sector.
- Promote Third Sector Trends 2022 research findings.
- Review our Vital Signs project and agree next phase.
- Run the South Tyneside Know Your Neighbourhood programme.
- Complete transition of investments to new investment service providers.
- Develop oversight of and reporting to stakeholders around ESG matters in investment.
- Explore options for retrofitting/energy efficiency measures at our office

Community Foundation **serving Tyne & Wear and Northumberland**

Annual report for the year ended 31 March 2023 (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 2022 the Board reviewed its risk policy for determining, managing and reviewing the risks to which the Community Foundation is exposed. The Board has committed 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 principal risk identified in the most recent register dated May 2023 was:

- Losing significant asset value

The Board reviews controls already in place for mitigating risks and identifies further treatment or monitoring required to manage the identified risks. The risk noted above is linked to the performance and drawdown from the Community Foundation's endowment funds. The Investment Committee meets regularly with the investment managers to discuss and review performance of the funds, which are invested in line with the Community Foundation's Investment Policy. The Board agreed a new Investment Policy in March 2023. The Board agreed to maintain an annual 6% withdrawal from the main and ethical funds as part of its 2020-25 strategy, defining triggers that would prompt it to review the withdrawal rate. Inflation is a concern together with other global issues and the Board will keep this under close review.

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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serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2023 (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:

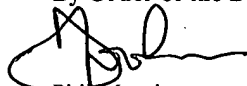
- there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the group's auditors are unaware; and
- the trustees, having made enquiries of fellow directors and the group's auditors that they ought to have individually taken, have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

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Azets Audit Services as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

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

By Order of the Board



Phil Moorhouse
Chair

20 September 2023

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 2023, 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 2023 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

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to the events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issues.

Our responsibilities and the responsibilities of the trustee with respect to going concern are described in the relevant sections of this report.

Other information

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

Community Foundation **serving Tyne & Wear and Northumberland**

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully set out on pages 11 and 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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serving Tyne & Wear and Northumberland

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Review financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment law (including the Working Time Directive); and compliance with the UK Companies Act, and the Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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.

Community Foundation
serving Tyne & Wear and Northumberland

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

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 Azets Audit Services
Chartered Accountants and Statutory Auditor

Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 27-9-2023

Azets Audit Services is a trading name of Azets Audit Services Limited

Community Foundation
serving Tyne & Wear and Northumberland

**Consolidated statement of financial activities
for the year ended 31 March 2023**

	Note	Unrestricted funds	Restricted funds	Endowment funds	Total 2023	Total 2022
		£	£	£	£	£
Income and endowments from:						
Donations and legacies	3	598,174	2,189,129	874,489	3,661,792	4,490,226
Charitable activities	4	42,450	-	-	42,450	39,325
Other trading activities	5	4,500	-	-	4,500	-
Investment income	6	1,135,243	1,027,888	-	2,163,131	1,841,153
Total income and endowments		1,780,367	3,217,017	874,489	5,871,873	6,370,704
Expenditure on:						
Raising funds	8	260,266	-	-	260,266	221,985
Investment management costs		-	-	240,740	240,740	266,392
Charitable activities	9	3,707,301	5,095,808	-	8,803,109	9,514,393
Total expenditure		3,967,567	5,095,808	240,740	9,304,115	10,002,770
Net (losses)/gains on investments		-	(50,000)	(4,432,880)	(4,482,880)	5,671,762
Net (loss)/income		(2,187,200)	(1,928,791)	(3,799,131)	(7,915,122)	2,039,696
Transfers between funds		1,615,487	1,293,700	(2,909,187)	-	-
Net movement in funds		(571,713)	(635,091)	(6,708,318)	(7,915,122)	2,039,696
Reconciliation of funds:						
Total funds brought forward		2,636,818	5,518,782	95,937,326	104,092,926	102,053,230
Total funds carried forward		2,065,105	4,883,691	89,229,008	96,177,804	104,092,926

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 2023**

	Note	2023 £	2022 £
Income - continuing operations			
Donations and legacies		2,787,303	3,172,799
Charitable activities	4	42,450	39,325
Other trading activities	5	4,500	-
Investment income	6	2,163,131	1,841,153
		4,997,384	5,053,277
Expenditure - continuing operations			
Grants	9	7,770,782	8,535,156
Staff costs	10	945,199	900,062
Other costs		347,394	301,160
		9,063,375	9,736,378
Net loss on investments		(50,000)	(142,000)
Net loss for the year before transfers and taxation		(4,115,991)	(4,825,101)
Transfer from endowment fund		2,909,187	4,334,166
Taxation	16	-	-
Net (deficit) for the year		(1,206,804)	(490,935)

The total income of £4,997,384 comprises £1,780,367 for unrestricted funds and £3,217,017 for restricted funds as shown in the statement of financial activities. The total expenditure of £9,063,375 comprises £3,967,567 for unrestricted funds and £5,095,808 for restricted funds as shown in the statement of financial activities.

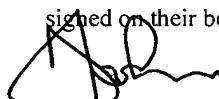
Community Foundation
serving Tyne & Wear and Northumberland

Balance sheets as at 31 March 2023

Registered company number 02273708

	Note	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Fixed assets					
Endowment fund investments	11	88,995,329	95,660,736	86,176,939	92,635,526
Programme related and other investments	11	874,309	856,809	874,409	856,909
Tangible assets	12	657,885	685,882	657,885	685,882
Total fixed assets		90,527,523	97,203,427	87,709,233	94,178,317
Current assets					
Debtors	13	110,098	122,193	99,659	118,594
Assets held for resale		-	14,000	-	14,000
Cash on short-term deposit		5,569,806	5,543,905	5,569,806	5,543,905
Cash at bank and in hand		2,121,366	3,761,173	1,898,064	3,518,465
Total current assets		7,801,270	9,441,271	7,567,529	9,194,964
Creditors: amounts falling due within one year	14	(1,482,439)	(1,814,962)	(1,456,459)	(1,810,522)
Net current assets less current liabilities		6,318,831	7,626,309	6,111,070	7,384,442
		96,846,354	104,829,736	93,820,303	101,562,759
Creditors: amounts falling due after more than one year	15	(668,550)	(736,810)	(668,550)	(736,810)
Total assets		96,177,804	104,092,926	93,151,753	100,825,949
The funds of the charity:					
Endowment funds	17	89,229,008	95,937,326	86,252,612	92,757,278
Restricted income funds	18	4,883,691	5,518,782	4,834,036	5,431,853
Unrestricted income funds	19	2,065,105	2,636,818	2,065,105	2,636,818
Total charity funds		96,177,804	104,092,926	93,151,753	100,825,949

The financial statements on pages 17 to 51 were approved by the Board on 20 September 2023 and were signed on their behalf by:


Phil Moorhouse
Chair


Paul Farquhar
Treasurer

Community Foundation
serving Tyne & Wear and Northumberland

Consolidated cash flow statement for the year ended 31 March 2023

	Note	2023 £	2022 £
Cash flows from operating activities:			
Net cash used in operating activities	24	(6,811,381)	(3,251,559)
Cash flows from investing activities:			
Dividends and interest from investments		2,163,131	1,841,153
Purchase of fixed assets		(5,172)	(19,774)
Proceeds from the sale of investments		13,377,873	15,667,653
Purchase of investments		(11,145,346)	(15,102,945)
Programme related investments drawn down		(67,500)	(200,895)
Net cash provided by investing activities		4,322,986	2,185,192
Cash flows from financing activities:			
Receipt of endowment		874,489	1,317,427
Net cash provided by financing activities		874,489	1,317,427
Change in cash and cash equivalents in the year		(1,613,906)	251,060
Cash and cash equivalents at the beginning of the year	24	9,305,078	9,054,018
Cash and cash equivalents at the end of the year	24	7,691,172	9,305,078

Community Foundation

serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2023

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 2019) – (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 2023

(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 £2,869,069 (2022: £3,435,265) in excess of investment income, was transferred from the main and ethical endowment funds to restricted £1,392,028 and unrestricted £1,477,041 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 £69,915 (2022:£915,233) 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 March 2023 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 2023
(continued)

1 Accounting policies (continued)

g) Listed and unlisted investments (continued)

Property Valuations

Properties held within Investments are held at an assessed valuation by a surveyor and are formally valued every year. At the year end one of the investments was moved to current assets, assets held for resale as a sale was agreed post year end.

Investments are held at valuations provided by the investment manager, whereas listed investments are held at a closing value indicated by the stock exchange.

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 £1,278,495 has been advanced. NESIC use these loans to invest directly into The North East Social Investment Fund (NESIF). The total advanced of £1,544,309 is shown as a Programme Related Investment.

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 based on the share of the most recent overall fund balance sheet deficit plus amber (at risk) loans not already provided for. The Board will continue to review recoverability and valuation on an annual basis. At the year end a total provision of £670,000 has been provided against the recoverability of the Programme Related Investment.

The balance on the original £3,000,000 loan funds available to be drawn down by NESIC at 31 March 2023 was £1,455,691. The £3,000,000 funds, less the provision, are listed within restricted funds and at the year end were £2,330,000. 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.

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2023
(continued)

1 Accounting policies (continued)

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.

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.

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2023
(continued)

1 Accounting policies (continued)

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 2023
(continued)

2 Statement of Financial Activities prior year fund comparatives

	Unrestricted funds	Restricted funds	Endowment funds	Total 2022
	£	£	£	£
Income and endowments from:				
Donations and legacies	633,889	2,538,910	1,317,427	4,490,226
Charitable activities	39,325	-	-	39,325
Other trading activities	-	-	-	-
Investment income	1,009,695	831,458	-	1,841,153
Total income and endowments	1,682,909	3,370,368	1,317,427	6,370,704
Expenditure on:				
Raising funds	221,985	-	-	221,985
Investment management costs	-	-	266,392	266,392
Charitable activities	4,037,221	5,477,172	-	9,514,393
Total expenditure	4,259,206	5,477,172	266,392	10,002,770
Net (losses)/gains on investments	-	(142,000)	5,813,762	5,671,762
Net (loss)/income	(2,576,297)	(2,248,804)	6,864,797	2,039,696
Transfers between funds	2,048,903	2,285,263	(4,334,166)	-
Net movement in funds	(527,394)	36,459	2,530,631	2,039,696
Reconciliation of funds:				
Total funds brought forward	3,164,212	5,482,323	93,406,695	102,053,230
Total funds carried forward	2,636,818	5,518,782	95,937,326	104,092,926

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2023
(continued)

3 Donations and legacies

	2023	2022
	£	£
Donations	3,651,747	4,488,860
Legacies	10,045	1,366
	3,661,792	4,490,226

4 Charitable activities

	2023	2022
	£	£
Other charitable activities	42,450	39,325

5 Other trading activities

	2023	2022
	£	£
Other trading activities	4,500	-

6 Investment income

	2023	2022
	£	£
Dividends and interest from endowment fund assets	2,040,327	1,825,343
Interest receivable on cash deposits	122,804	15,810
	2,163,131	1,841,153

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2023
(continued)

7 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	Total
	£	£	2023	2022
			£	£
Support staff costs	25,132	141,633	166,765	174,039
Governance staff costs	7,838	44,171	52,009	53,385
Overhead costs	47,165	160,181	207,346	228,548
Governance direct costs	11,882	48,333	60,215	26,642
	92,017	394,318	486,335	482,614
Included in overhead costs are the following:			2023	2022
			£	£
Auditors' remuneration – audit services			12,500	7,650
Depreciation			33,169	33,402
Loss on disposal of fixed assets			-	306

8 Costs of raising funds

	2023	2022
	£	£
Staff costs	153,543	130,472
Direct costs	14,706	12,292
Support costs (Note 7)	92,017	79,221
	260,266	221,985

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2023
(continued)

9 Charitable activities

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

	2023	2022
	£	£
Grants payable	7,770,782	8,535,156
Staff costs	572,882	542,166
Direct costs	65,127	33,678
Support costs (Note 7)	394,318	403,393
	8,803,109	9,514,393

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

	2023 £	2023 Number	2022 £	2022 Number
Other charities and voluntary organisations	7,713,884	1,287	8,466,087	1,257
Individuals	143,497	119	107,923	119
Total new grants awarded in the year	7,857,381	1,406	8,574,010	1,376
Grants cancelled	(86,599)		(38,854)	
Total grant expenditure	7,770,782		8,535,156	

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 2023
(continued)

10 Staff costs

Staff costs comprise the following:	2023	2022
	£	£
Wages and salaries	812,585	778,171
Social security costs	83,189	74,163
Other pension costs	49,425	47,728
	945,199	900,062

The average number of employees, excluding Trustees/Board Directors, employed by the Group during the year was 22.7 (2022: 24), full time equivalent 19.99 (2022: 20.68). The ratio of the highest salary to the median salary was 2.37:1 (2022: 2.37:1). The gross salary in the year relating to the executive members of staff responsible for the day-to-day management of the Charity was £235,209 (2022: £248,204) plus £15,373 (2022: £16,110) 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 2022 and 5 April 2023 below:

	5 April 2023	5 April 2022
Mean gender pay gap	17%	14%
Median gender pay gap	12%	12%

None of the Trustees/Board Directors received any remuneration during the year (2022: Nil). Two of the Directors received reimbursements for expenses during the year of £357 in total (2022: Nil).

During the year employees with emoluments over £60,000 were in the following bands:	2023	2022
	Number	Number
£60,000 to £70,000	1	1
£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 2023
(continued)

11 Investments

Endowment fund investments - Group

At valuation	Listed investments £	Deposit & other cash balances £	Freehold property £	Total £
At 1 April 2022	93,023,269	2,272,467	365,000	95,660,736
Additions/movement in the year	10,643,100	502,246	-	11,145,346
Disposals in the year	(13,377,873)	-	-	(13,377,873)
Realised gains in the year	35,928	-	-	35,928
Unrealised (losses)/gains in the year	(4,489,808)	-	21,000	(4,468,808)
At 31 March 2023	85,834,616	2,774,713	386,000	88,995,329
At cost				
At 31 March 2023	72,229,673	2,774,713	254,500	75,258,386
At 31 March 2022	72,541,977	2,272,467	254,000	75,068,444
Listed investments are detailed as follows:			2023 Market Value £	2022 Market Value £
UK Fixed Interest			5,763,872	4,851,809
UK Equities			18,623,924	20,011,034
Property			864,102	1,463,315
Overseas Fixed Interest			1,836,621	2,325,674
Overseas Equities			27,739,140	32,140,913
Collective Investment Schemes			23,364,609	24,160,666
Other			7,642,348	8,069,858
			85,834,616	93,023,269

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2023
(continued)

11 Investments (continued)

Programme Related Investments – Charity and Group

	Total £
Loaned amounts	
At 1 April 2022	1,476,809
Advances during the year	67,500
Repayments	-
At 31 March 2023	1,544,309
Provisions	
At 1 April 2022	620,000
Provided against during the year	50,000
Provision released during the year	-
At 31 March 2023	670,000
Net loaned amounts	
At 31 March 2023	874,309
At 31 March 2022	856,809

Endowment fund investments - Charity

At valuation	Listed investments £	Deposit & other cash balances £	Freehold property £	Total £
At 1 April 2022	89,998,059	2,272,467	365,000	92,635,526
Additions/movement in the year	10,135,873	502,246	,	10,638,119
Disposals in the year	(12,854,192)	-	,	(12,854,192)
Realised gains in the year	29,103	-	,	29,103
Unrealised (losses)/gains in the year	(4,292,617)	-	21,000	(4,271,617)
At 31 March 2023	83,016,226	2,774,713	386,000	86,176,939
At cost				
At 31 March 2023	69,802,740	2,774,713	254,500	72,831,453
At 31 March 2022	70,215,545	2,272,467	254,000	72,742,012

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2023
(continued)

11 Investments (continued)

	2023 Market Value £	2022 Market Value £
Listed investments are detailed as follows:		
UK Fixed Interest	5,530,257	4,604,975
UK Equities	17,878,320	19,097,580
Property	799,283	1,387,811
Overseas Fixed Interest	1,836,621	2,325,674
Overseas Equities	26,387,141	30,767,592
Collective Investment Schemes	23,090,333	23,907,303
Other	7,494,271	7,907,124
	83,016,226	89,998,059

Other investments – Charity

At cost and valuation	Unlisted investments £
At 1 April 2022	100
At 31 March 2023	100

Unlisted investments held by the charity relate to £100 (2021: £100) investment in the subsidiary company Tyne & Wear Foundation Limited at cost. At 31 March 2023 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 £2,330,000 (note 18) (2022: £2,380,000) 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 2023 was £1,455,690 which is all available to be drawn down in full by NESIC during the investment period which is 10 years from 10 December 2014.

Realised gains and losses are calculated based on the market value brought forward plus any additions in the year. Total net realised gains calculated using historical cost was £2,729,558 for the full group (2022: £4,255,737). 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 2023
(continued)

12 Tangible fixed assets

Group and Charity	Land & Buildings £	Furniture & equipment £	Office improve- ments	Total £
Cost				
At 1 April 2021	750,000	82,433	48,110	880,543
Additions	-	3,392	1,780	5,172
Disposals	-	(2,244)	-	(2,244)
At 31 March 2023	750,000	83,581	49,890	883,471
Accumulated Depreciation				
At 1 April 2021	108,750	62,200	23,711	194,661
Charge for the year	15,000	13,225	4,944	33,169
Disposals	-	(2,244)	-	(2,244)
At 31 March 2023	123,750	73,181	28,655	225,586
Net book value				
At 31 March 2023	626,250	10,400	21,235	657,885
At 31 March 2022	641,250	20,233	24,399	685,882

13 Debtors

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Other debtors	11,218	72,481	11,218	72,481
Dividends and interest receivable	98,880	49,712	88,441	46,113
	110,098	122,193	99,659	118,594

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2023
(continued)

14 Creditors: amounts falling due within one year

	Group	Group	Charity	Charity
	2023	2022	2023	2022
	£	£	£	£
Other creditors and accruals	411,264	336,860	411,264	336,860
Taxation and social security costs	26,105	18,523	26,105	18,523
Grants payable	1,045,070	1,459,579	1,019,090	1,455,139
	1,482,439	1,814,962	1,456,459	1,810,522

Other creditors include an amounts totalling £328,190 (2022: £259,930) relating 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 (see note 25).

15 Creditors: amounts falling due after more than one year

	Group	Group	Charity	Charity
	2023	2022	2023	2022
	£	£	£	£
Other creditors and accruals	668,550	736,810	668,550	736,810

Other creditors relate to amounts due to an organisation of outstanding grant commitments transferred from Northern Rock Foundation under deeds of assignment as part of their winding up process (see note 25).

16 Taxation

As registered charities, the Community Foundation, Joseph Brough Charitable Trust and Tyne and Wear Foundation Trust are entitled to the exemptions from taxation in respect of income and capital gains received within categories covered by s505 Income and Corporation Taxes Act 1988 and s256 Taxation of Chargeable Gains Act 1992, to the extent that the income/gains received are applied for charitable purposes only. They are therefore not normally liable to UK Income Tax, Corporation Tax, or Capital Gains Tax.

	2023	2022
	£	£
Corporation tax payable	-	-

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2023
(continued)

17 Endowment funds

The expendable endowment fund is treated by the Directors as a long-term capital fund to provide income for future grant-making. Endowment donations received are allocated between unrestricted and restricted funds in accordance with the policy for each income fund. Joseph Brough Charitable Trust and Tyne and Wear Foundation Trust both hold permanently endowed funds.

	Group	Charity
	£	£
At 1 April 2022	95,937,326	92,757,278
Transfers between funds:		
Total returns endowment withdrawal	(2,938,984)	(2,938,984)
Transfers to endowment from income funds	50,163	50,163
Exceptional withdrawal from endowment funds	(20,366)	(20,366)
Net loss before transfers	(3,799,131)	(3,595,479)
At 31 March 2023	89,229,008	86,252,612

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 £2,938,984 (including Community First indexed gain withdrawal) and is shown as a transfer from the endowment fund. A withdrawal of £366 was made from the Jeremy Beecham Schools Fund and £20,000 from The Chronicle Sunshine Fund, both of which were used to cover grant-making commitments during the year.

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2023
(continued)

18 Income funds - restricted

The Community Foundation receives income and donations both for general charitable purposes and also for more specific areas and issues. All grants are approved by the Board in consultation with people and companies who have set up funds within the Community Foundation for grant-making. Funds are deemed to be restricted either if they have been donated for a specific purpose or appeal, or if the donor has made a request that they are applied in one area or field. Since the year end the funds in deficit at 31 March 2023 have received sufficient funds to return them to credit.

	At 1 April 2022 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2023 £
#iwill	625	85,211	82,071	3,784	(19)
Frank Acfield	1,951	926	2,201	-	676
Abbot Memorial Grants	1,100	-	-	-	1,100
Akzo Nobel International Paint	234	4,048	4,282	-	-
Community First	-	-	-	-	-
Arts Council England Let's Create Jubilee	116,963	-	116,463	500	-
Asian	5,790	5,482	2,000	5,000	4,272
Stuart Ayre	-	1,763	1,763	-	-
Nancy Barbour Award	4,235	5,264	6,000	-	3,499
Jeremy Beecham Schools	(500)	851	-	-	351
Bellingham	1,777	2,477	2,105	370	1,779
Berwick Academy Endowment	(398)	8,511	4,100	-	4,013
Blackett Family Community First	(31)	5,152	5,122	-	(1)
EDF Energy Blyth Offshore Demonstrator Wind Farm	-	-	-	-	-
Community Benefit	23,581	70,793	49,067	6,436	38,871
Enid Blyton Fund for Seven Stories	-	44,817	44,817	-	-
Bowey Community First	-	-	-	-	-
Ron & Louise Bowey	-	-	-	-	-
Grassroots	4,432	12,174	-	13,299	3,307
Carolyn and Tony Brookes	221	3,030	2,000	-	1,251
Burnell Community First	-	-	-	-	-
Lawrence Campbell	-	-	-	-	-
Community First	8,809	3,397	6,252	-	5,954
Canford Audio	695	497	-	-	1,192
Capacitybuilders CPP	5,458	-	-	5,458	-
Chapman	46,853	23,635	2,000	54,007	14,481
Chronicle Sunshine	-	28,154	28,154	-	-
The Community Infrastructure Levy (CIL)	146,021	26,745	131,611	6,633	34,522
Sir Tom Cowie	71,775	68,541	47,500	-	92,816
Abigail & Stephen Crampton	475	1,712	1,620	-	567
CrecheMobile	397	4,907	(30,000)	-	35,304
Culture Bridge	(807)	6,899	7,000	-	(908)
The Louise Dalton	2,623	2,608	2,200	-	3,031
Duncan & Sarah Davidson	1,695	5,708	-	7,000	403
Pamela and Dorothy Denham	485	2,607	(2,000)	5,092	-
Carried forward	444,459	425,909	516,328	107,579	246,461

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2023
(continued)

18 Income funds - restricted (continued)

	At 1 April 2022	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2023
	£	£	£	£	£
Brought forward	444,459	425,909	516,328	107,579	246,461
Pamela Denham Community					
First	-	-	-	-	-
Pamela Denham Grassroots	-	473	-	473	-
David Dockray's West End					
Young People's	7,169	42,890	39,060	-	10,999
Dream Jar	3,686	1,901	5,040	-	547
Andrew and Charlotte Dixon	1,662	1,240	3,000	-	(98)
The Edwin John Easydorchik					
Travelling Scholarship	18,974	5,330	4,000	-	20,304
Enviresearch	11,040	-	11,040	-	-
Evangelical	14,365	7,783	-	-	22,148
Express Enterprise	2,461	1,093	3,000	-	554
FARNE	33,035	22,402	4,500	-	50,937
David & Gitta Faulkner	625	1,965	-	-	2,590
Fausta and Rosemary					
Community First	-	-	-	-	-
Fergusons of Blyth	16,335	7,182	15,630	-	7,887
Fogo Community First	-	-	-	-	-
Gateshead Thrive	-	-	(9,710)	9710	-
David Goldman Awards	-	27,601	27,601	-	-
Allison Greenlees Continuation	-	5,699	3,000	2,699	-
The EDF Energy Green Rigg					
Wind Farm Community Benefit	40,127	40,896	32,136	3,600	45,287
The EDF Energy Renewables					
Barmoor Windfarm Community					
Benefit	119,290	-	91,863	-	27,427
Jackie Haq Fund for Scotswood	3,018	2,083	4,000	-	1,101
Henderson Family	932	1,269	-	-	2,201
Heyman Travelling Scholarships	27,713	9,484	39,038	-	(1,841)
Joy Higginson Fund for					
Children North East	5,950	1,327	1,000	-	6,277
High Sheriff of Northumberland					
Youth Against Crime Scheme	53,788	81,347	42,000	48,528	44,607
Hokey Cokey Community First	-	-	-	-	-
Hoult Family Community First	-	-	-	-	-
Hoult Family Grassroots	724	2,468	2,990	-	202
The HunterPemberton					
Community First	7,698	2,858	7,230	-	3,326
JesDesStaff	17	1,909	1,000	926	-
RWE Renewables UK Kiln Pit					
Hill Wind Farm Community	6,284	23,353	6,322	2,123	21,192
Josephs Family	65	1,232	-	-	1,297
JPMorgan	4,789	2,262	-	-	7,051
Kellett	368,921	350,528	398,150	-	321,299
Kerry Community First					
Endowment	4,489	1,524	3,500	-	2,513
Kerry Grassroots	8,965	3,033	9,857	-	2,141
June King	49	3,691	3,740	-	-
Carried forward	1,206,630	1,080,732	1,265,315	175,638	846,409

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2023

(continued)

18 Income funds - restricted (continued)

	At 1 April 2022	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2023
	£	£	£	£	£
Brought forward	1,206,630	1,080,732	1,265,315	175,638	846,409
Latterford	1,768	661	-	-	2,429
Lendrum Community First	8,854	2,102	7,439	4,000	(483)
Capt. C.D. Leyland	7,765	3,796	1,346	-	10,215
Linden Community First	-	-	-	-	-
Local Environmental Action	28,806	13,995	16,997	-	25,804
George Loggie	1,297	1,166	1,744	-	719
Lady Betty Martin Fund within the North East Fund for the Arts	10,034	7,819	15,846	-	2,007
Grigor McClelland Community First	804	-	-	-	804
Moor	-	1,595	1,595	-	-
Nash	981	9,542	8,679	1,844	-
NEF Grassroots	5,014	1,575	-	-	6,589
NET Coronavirus Appeal	2	-	-	-	2
Newcastle Culture Investment	26,569	622,620	599,339	22,500	27,350
Newcastle Dispensary Relief in Sickness	414	3,833	3,322	-	925
North East Endowment for Musical Traditions	9,174	6,030	1,865	-	13,339
North East Fund for the Arts	7,137	5,898	13,627	-	(592)
North East Social Investment	2,380,000	-	-	50,000	2,330,000
Northern Angel Fund for Berwick	5,488	24,578	28,500	-	1,566
North Tyneside	-	1,719	1,750	-	(31)
Northumberland Group	66,946	31,584	31,885	-	66,645
Northumberland Village Homes Trust	80,721	109,623	182,154	10,000	(1,810)
Northumberland Wildlife Trust	-	1,710	1,710	-	-
Out & About	10,694	4,983	10,000	-	5,677
The Pargiter Trust	-	80,000	72,000	8,000	-
Anne & David Parker	415	9,957	9,000	275	1,097
Partnership programme	65,341	-	-	-	65,341
Patch	6,801	14,301	16,000	-	5,102
Pea Green Boat Community First	1,005	33,304	35,210	-	(901)
Pen & Palette Club Fund within the North East Fund for the Arts	7,665	4,526	6,989	-	5,202
Percy Family	10,337	8,674	7,000	5,000	7,011
Philanthropy House	749,893	-	-	-	749,893
Playschemes	-	194,761	171,277	250	23,234
Platten Family Community First	463	(3)	-	460	-
Port of Tyne	1,735	16,790	16,846	1,679	-
Prudhoe League of Friends	-	3,462	0	-	3,462
Geoffrey and Ann Purves	1,433	1,476	2,000	-	909
Ray WindFarm CIC Small Grants Programme	-	110,232	26,913	10,000	73,319
Ray Wind Farm Small Grants Programme	605	2,129	(8,534)	11,268	-
Readman Community First	-	-	-	-	-
Carried forward	4,704,791	2,415,170	2,547,814	300,914	4,271,233

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2023
(continued)

18 Income funds - restricted (continued)

	At 1 April 2022	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2023
	£	£	£	£	£
Brought forward	4,704,791	2,415,170	2,547,814	300,914	4,271,233
Readman Family Grassroots	59,922	67,362	56,636	-	70,648
Readman Foundation	37,221	-	-	-	37,221
Carrie Reay Grassroots	1,588	3,698	3,500	2,000	(214)
REEDS Community First	-	-	-	-	-
REEDS Grassroots	31,476	27,212	29,555	5,000	24,133
Riddell Family Community First	(362)	18,425	13,477	5,000	(414)
Riding Grange Grassroots	4,579	3,055	4,500	-	3,134
Ringtons Community First	-	-	-	-	-
Jane Robertson Alnwick	8,396	7,735	9,000	-	7,131
Roseline Foundation	21,250	-	17,000	4,250	-
Brian Roycroft	7,657	15,951	15,266	21	8,321
RWE Innogy UK Middlemoor	-	-	-	-	-
Wind Farm Community	20,527	-	15,199	5,327	1
Sage Gateshead	-	662,961	662,961	-	-
Smail Family	1,295	4,219	5,750	-	(236)
Sowler Family UK Charitable	-	32,929	26,695	3,951	2,283
Spriggs Family Community	-	-	-	-	-
First	-	-	-	-	-
Shohba & Trikoli Srivastava	-	-	-	-	-
Community First	63	254	-	-	317
Sunderland Industrial &	-	-	-	-	-
Reformatory School	895	1,307	350	-	1,852
Suz Grassroots	4,974	1,563	-	-	6,537
Taylor	9,284	18,939	25,000	-	3,223
The South Tyneside Know Your	-	-	-	-	-
Neighbourhood	-	159,978	135,333	8,533	16,112
Third Sector Trends	3,993	19,000	-	-	22,993
Thornton Family Grassroots	2,704	3,770	4,997	500	977
Tiny Lives	-	95,139	95,139	-	-
Tyne & Wear High Sheriff	-	-	-	-	-
Awards	19,332	41,101	48,750	4,127	7,556
Tyne & Wear High Sheriff	-	-	-	-	-
Community First	-	-	-	-	-
Tyne & Wear Grassroots	1,670	788	-	-	2,458
Ventient Sisters North Steads	-	-	-	-	-
Wind Farm Community Benefit	152,757	172,640	135,098	15,694	174,605
Vicky F Grassroots	3,619	1,311	-	-	4,930
Virgin Money	262	3,379	-	2,818	823
Vital Gateshead	11,512	7,823	-	19,000	335
Vital Newcastle	32,050	6,939	12,970	21,000	5,019
Vital North Tyneside	8,529	2,094	4,230	6,000	393
Vital Northumberland	26,073	17,823	10,000	33,633	263
Vital South Tyneside	212	1,679	-	1,885	6
Vital Sunderland	39,030	8,084	-	19,800	27,314
Ted Weekes	19,682	12,506	15,434	9	16,745
The Wellesley Trust	165,845	291,742	353,524	59,728	44,335
The Wellesley Trust	-	-	-	-	-
Community First	-	-	-	-	-
Carried forward	5,400,826	4,126,576	4,248,178	519,190	4,760,034

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2023
(continued)

18 Income funds - restricted (continued)

	At 1 April 2022	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2023
	£	£	£	£	£
Brought forward	5,400,826	4,126,576	4,248,178	519,190	4,760,034
The 1989 Willan Charitable Trust	3,696	742,350	698,258	37,850	9,938
Mark and Ian Wilson Family Wood	5,161	2,189	4,000	-	3,350
CH Wood	6,585	6,921	5,000	-	8,506
Women's	-	4,777	-	-	4,777
Women's Community First	13,308	32,539	-	-	45,847
Young Musician's	-	-	-	-	-
	2,277	6,537	7,230	-	1,584
Total Community Foundation	5,431,853	4,921,889	4,962,666	557,040	4,834,036
Joseph Brough Charitable Trust	63,226	45,176	82,130	30	26,242
Tyne and Wear Foundation Trust	23,733	19,500	19,705	85	23,443
Tyne & Wear Foundation Limited	(30)	-	-	-	(30)
Total Group	5,518,782	4,986,565	5,064,501	557,155	4,883,691

Income and transfers include credits of £1,392,028 transferred from the main and ethical endowment funds and £69,915 from Community First funds to distribute as income on a total returns basis and £307,605 of other transfers. Other outgoings include transfers between funds of £475,848, amortisation of Programme Related Investments of £50,000 and other fund expenses of £31,307. 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.

19 Income funds - unrestricted

As well as a general administrative unrestricted fund (included below for completeness) the Community Foundation holds the following designated funds which the Directors regard as unrestricted because they are used for general charitable purposes in the Community Foundation's area of benefit although grants may still be made on recommendations from the donor. The funds are to be used for grant-making and grants are awarded throughout the year when committees meet and make recommendations to the Board. Since the year end the funds in deficit at 31 March 2023 have received sufficient funds to return them to credit.

	At 1 April 2022	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2023
	£	£	£	£	£
Adderstone	4,937	11,599	16,000	-	536
AJM	898	1,103	-	-	2,001
Anonymous	11,215	3,114	10,000	-	4,329
Appletree	4,077	22,533	23,213	2,000	1,397
Ashington Community Development Trust	8,127	3,611	-	-	11,738
Barley Hill	99	3,718	3,000	-	817
Barnes	1,809	7,233	8,860	-	182
Christopher Beadle	1,548	5,103	3,025	-	3,626
Charles Robert Bell	10,506	14,040	10,400	-	14,146
Carried forward	43,216	72,054	74,498	2,000	38,772

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2023
(continued)

19 Income funds - unrestricted (continued)

	At 1 April 2022	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2023
	£	£	£	£	£
Brought forward	43,216	72,054	74,498	2,000	38,772
John Bell	119,592	62,858	102,852	24,999	54,599
Bellway	812	2,877	-	-	3,689
Sara Alexandra Bernstone	51	4,866	4,978	-	(61)
Bonas Machine Company	1,097	1,802	1,500	-	1,399
Ron and Louise Bowey	(2,099)	36,587	(602)	6,190	28,900
Dawn Brown	759	1,368	1,797	-	330
Stephen Byers	27	7,744	4,720	-	3,051
The Muriel Campbell	3,027	1,474	1,990	-	2,511
Carr-Ellison Charitable Trust	7,995	20,645	22,050	2,500	4,090
Carroll Savage	1,246	5,964	6,796	-	414
Chrysalis	528	1,846	1,480	-	894
Daphne & Martin Cookson	584	5,123	5,762	-	(55)
Roland Cookson Fund for the Charlotte Straker Project	-	67,933	67,933	-	-
Roland Cookson Community Coquet	3,104	20,334	18,112	1,751	3,574
Coronavirus Response and Recovery	3,671	30,000	7,500	3,600	22,571
Cost-of-living	6,955	-	6,955	-	-
Crozier	-	390,908	385,801	2,495	2,612
Curtain PARP	-	5,166	-	5,166	-
John D Endowment	27,510	46,139	56,932	110	16,607
Dickon Trust	(1,742)	12,910	13,239	-	(2,071)
Elgon	(1,550)	71,803	69,372	-	881
Fogo	4,367	1,077	5,000	-	444
George and Peggy	39,596	34,184	60,538	5,000	8,242
Adrian and Ingrid Gifford	2,688	5,485	7,070	-	1,103
The Giving Network	885	1,094	-	-	1,979
Margaret and Dorothy	9,390	21,562	20,514	959	9,479
Gordon Memorial	-	1,206	1,206	-	-
Groves Family	7,147	5,264	7,750	2,000	2,661
Michael and Christine	-	-	-	-	-
Heppell	9,883	3,152	-	10,500	2,535
Bill and May Hodgson	4,000	16,764	16,000	5,250	(486)
The Hokey Cokey (that's what it's all about)	1,916	3,688	3,354	1,000	1,250
I'Anson Family	4,242	2,696	-	-	6,938
If only...	291	1,486	1,777	-	-
Sir James Knott	-	2,116	2,116	-	-
John Laing	(70)	5,045	-	-	4,975
William Leech Charity	32,720	25,006	52,480	3,000	2,246
Leech Challenge	4,159	3,057	-	7,216	-
Linden Family	(3,539)	105,349	75,316	30,000	(3,506)
FB & PFB Lough	15,188	100,213	111,830	5,000	(1,429)
Grigor McClelland	46,333	14,941	39,984	-	21,291
Daisy Marr	1,612	28,523	21,950	-	8,185
Maudslay Family	1,361	2,307	1,361	-	2,307
G S May Family	2,004	6,471	1,500	2,500	4,475
McIntosh	700	1,522	-	2,222	-
Carried forward	399,656	1,262,609	1,283,411	123,458	255,396

Community Foundation
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Notes to the financial statements for the year ended 31 March 2023

(continued)

19 Income funds - unrestricted (continued)

	At 1 April 2022 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2023 £
Brought forward	399,656	1,262,609	1,283,411	123,458	255,396
Milburn Briel	1,448	13,204	6,255	-	8,397
Muckle LLP	35,532	44,734	62,930	5,005	12,331
Naylors Gavin Black	-	1,373	-	-	1,373
Newcastle Building Society					
Community	6,354	225,233	281,958	14,884	(65,255)
Emma Newton	3,969	4,908	6,793	-	2,084
North East Brewers	12,964	6,126	-	19,090	-
Northern Gas Networks					
Community Partnering	-	57,500	36,246	7,500	13,754
Northern Powergrid	(246)	15,815	15,000	1,000	(431)
Northumbrian Water	6,702	6,066	11,076	-	1,692
Opencast Charitable	-	44,969	40,472	4,496	1
Pattinson Estate Agents	7,100	6,485	8,000	-	5,585
Platten Family	500,071	117,693	160,608	19,125	438,031
PricewaterhouseCoopers	468	1,818	-	-	2,286
Prime	(7,525)	163,692	144,244	20,000	(8,077)
Proudfoot Family	905	1,400	-	-	2,305
P&G	(6,129)	55,167	49,237	-	(199)
Guy Readman endowment	458,054	125,273	224,709	15,000	343,618
Matthew Ridley	926	1,141	-	-	2,067
Ringtons	4,698	55,803	60,153	-	348
Rolls-Royce	421	2,531	-	-	2,952
St Cuthbert's	13,745	2,050	16,000	-	(205)
John & Barbara Sadler & Jeanette Henderson	1,742	5,610	5,500	-	1,852
Johnnie & Tricia Smith and Family	699	4,202	4,500	-	401
Barry & Faga Speker	1,474	1,209	1,700	-	983
Spriggs Family	1,737	1,212	2,949	-	-
Squires Foundation	(3,262)	41,411	34,249	3,966	(66)
Shobha and Triloki Srivastava					
Grassroots	1,458	2,853	1,000	3,000	310
Star	7,965	9,604	12,500	3,000	2,069
Rod & Rosemary Taylor Family	-	25,000	22,500	2,500	-
The Temple	-	50,282	45,260	5,021	1
Tess	7,775	3,014	-	5,395	5,395
Brian & Margaret Thompson	90	1,481	1,571	-	-
Thorne & Derrick	16,868	-	16,868	-	-
Treeline	1,274	3,292	3,000	-	1,566
Vaux	17,222	8,139	-	25,000	361
Ward Hadaway	1,018	8,822	7,000	600	2,240
Watkin Family	7,130	27,615	22,474	-	12,271
Weightman	560	1,302	1,800	-	62
Welch Family	-	1,334	-	1,334	-
Wide Open Road	716	7,397	7,164	-	949
Willis Charitable	1,016	10,524	6,500	4,500	540
The Lucy Winskell	-	1,125	1,125	-	-
Carried forward	1,504,595	2,431,018	2,604,752	283,874	1,046,987

Community Foundation
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Notes to the financial statements for the year ended 31 March 2023
(continued)

19 Income funds - unrestricted (continued)

	At 1 April 2022 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2023 £
Brought forward	1,504,595	2,431,018	2,604,752	283,874	1,046,987
Winter Family	(437)	15,552	15,370	-	(255)
Robert Wood Trust	4,597	4,361	7,500	-	1,458
Other general grant-making funds	293,669	223,477	78,659	194,842	243,645
Total designated funds	1,802,424	2,674,408	2,706,281	478,716	1,291,835
Administrative fund	834,394	1,208,405	-	1,269,529	773,270
Total Community Foundation	2,636,818	3,882,813	2,706,281	1,748,245	2,065,105
Total Group	2,636,818	3,882,813	2,706,281	1,748,245	2,065,105

Income and transfers include £1,477,041 transferred from the main and ethical endowment funds to distribute as income on a total returns basis and £625,405 of other transfers. Other outgoings and transfers consist of £486,959 transferred between funds, £945,199 staff costs, £6,095 designated fund expenses and other net administrative costs of £309,992.

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, Three Valleys, Tolent, Tyne Tees Television, and two anonymous funds. Two funds contribute directly to the administrative fund, Ronald Edward William Murray and Hadrian Trust. In addition to the funds listed in restricted and unrestricted funds there are 7 acorn type 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.

20 Analysis of net assets between funds

Group

	Unrestricted funds £	Restricted funds £	Endowment funds £	2023 Total £
Investments	-	874,309	88,995,329	89,869,638
Tangible fixed assets	31,635	626,250	-	657,885
Current assets	2,637,055	4,879,562	284,653	7,801,270
Current liabilities	(603,585)	(827,880)	(50,974)	(1,482,439)
Creditors due after one year	-	(668,550)	-	(668,550)
Total net assets	2,065,105	4,883,691	89,229,008	96,177,804

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2023
(continued)

20 Analysis of net assets between funds (continued)

Charity

	Unrestricted funds	Restricted funds	Endowment funds	2023 Total
	£	£	£	£
Investments	-	874,409	86,176,939	87,051,348
Tangible fixed assets	31,635	626,250	-	657,885
Current assets	2,637,055	4,803,827	126,647	7,567,529
Current liabilities	(603,585)	(801,900)	(50,974)	(1,456,459)
Creditors due after one year	-	(668,550)	-	(668,550)
Total net assets	2,065,105	4,834,036	86,252,612	93,151,753

21 Pensions

The Community Foundation contributes to a defined contribution group pension scheme for all staff. The assets of the schemes are held separately from those of the Community Foundation in independently administered funds. The pension charge represents contributions by the Community Foundation to the funds and amounted to £49,425 (2022: £47,728). There were no outstanding contributions at 31 March 2023 (2022: Nil).

22 Subsidiary company and charities

These financial statements are consolidated to include the financial transactions of the following as required under the Statement of Recommended Practice:

Tyne & Wear Foundation Limited - wholly owned subsidiary

Joseph Brough Charitable Trust - sole trustee

Tyne and Wear Foundation Trust - sole trustee

As permitted by section 408 of the Companies Act 2006, and by paragraph 422 of the Statement of Recommended Practice 2005, no separate company Statement of Financial Activities has been presented for the Community Foundation serving Tyne and Wear and Northumberland within these financial statements. The Company's gross income for the year was £5,807,197 (2022: £6,318,322) and its net expenditure for the year was £7,674,196 (2022: income £1,924,897) after the deduction of losses on investments of £4,292,514 (2022: gains £5,522,829).

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 (2022: nil).

Community Foundation
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Notes to the financial statements for the year ended 31 March 2023
(continued)

22 Subsidiary company and charities (continued)

A summary of results of the subsidiary company is shown below:

	Total	Total
	2023	2022
	£	£
Turnover	-	-
Cost of sales	-	-
Operating profit	-	-
Administrative costs	-	-
Net profit	-	-

The aggregate of the assets and liabilities was:	Total	Total
	2023	2022
	£	£
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
	2023	2022
	£	£
Investment income	50,176	43,757
Charitable activities	(87,160)	(15,030)
Investment management costs	(7,719)	(8,231)
(Losses)/gains on investments	(130,090)	127,829
Net movement in funds	(174,793)	148,325

Community Foundation
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Notes to the financial statements for the year ended 31 March 2023
(continued)

22 Subsidiary company and charities (continued)

The aggregate of the assets, liabilities and funds was:

	Total	Total
	2023	2022
	£	£
Assets	2,208,890	2,358,703
Liabilities	(24,980)	-
Funds	2,183,910	2,358,703

Represented by:	Total	Total
	2023	2022
	£	£
Permanent endowment fund	2,157,668	2,295,477
Restricted funds	26,242	63,226
Funds	2,183,910	2,358,703

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

	Total	Total
	2023	2022
	£	£
Investment income	23,545	19,030
Investment management costs	(5,567)	(6,169)
Charitable activities	(23,835)	(67,491)
(Losses)/gains on investments	(60,276)	21,104
Net movement in funds	(66,133)	(33,526)

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Notes to the financial statements for the year ended 31 March 2023
(continued)

22 Subsidiary company and charities (continued)

The aggregate of the assets, liabilities and funds was:

	Total	Total
	2023	2022
	£	£
Assets	843,171	912,744
Liabilities	(1,000)	(4,440)
Funds	842,171	908,304

Represented by:	Total	Total
	2023	2022
	£	£
Permanent endowment fund	818,728	884,571
Restricted funds	23,443	23,733
Funds	842,171	908,304

23 Related party transactions

In the ordinary course of the Community Foundation's activities, it has awarded grants to other charities or organisations that have common Trustees/Directors, or whose employees are Directors of the Community Foundation or where members of the Executive Team are Trustees/Directors. All grants have been awarded using the same guidelines as any other grant. Directors and staff are always required to declare their interest in any organisation being considered for a grant and do not take part in any such decisions.

During the year Directors and their associated companies donated a total of £165,224 (2022: £288,222) to Community Foundation named endowment and revenue funds, and £1,142 (2022: £1,377) was donated by members of the Executive Staff Team.

Community Foundation
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Notes to the financial statements for the year ended 31 March 2023
(continued)

23 Related party transactions (continued)

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

Organisation	Director/employee involved	Relationship	Total grants £
Derwenthaugh Boat Station	Lucy Winskell OBE	Honorary President	750
Newcastle University	Sarah Glendinning	Court Member	30,250
New Writing North	Claire Malcolm MBE	Employee	20,000
North East Theatre Trust	Lucy Winskell OBE	Trustee	11,125
November Club	Fiona Standfield	Trustee	1,000
Success4All CIO	Stella Simbo	Employee	24,255
VONNE	Colin Hewitt	Trustee	3,035

During the year, the following transactions were made between the main charity and its subsidiaries.

Subsidiary	Nature of transaction	Value £
Joseph Brough Charitable Trust	Paid Community Foundation for administrative services	5,000
Tyne & Wear Foundation Trust	Paid Community Foundation for administrative services	4,045

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Notes to the financial statements for the year ended 31 March 2023
(continued)

24 Cash flow information for the Group

Reconciliation of net income to net cash flow from operating activities

	2023 £	2022 £
Net (expenditure)/ income for the year	(7,915,122)	2,039,696
Adjustments for:		
Receipt of endowment	(874,489)	(1,317,427)
Depreciation charges	33,169	33,402
Losses/(gains) on endowment investments	4,432,880	(5,813,762)
Decrease/(increase) in assets held for resale	14,000	(14,000)
Loss on disposal of fixed assets	-	306
Losses on programme related investments	50,000	142,000
Dividends and interest from investments	(2,163,131)	(1,841,153)
Decrease in debtors	12,095	2,824,669
(Decrease)/increase in creditors	(400,783)	694,710
Net cash used in operating activities	(6,811,381)	(3,251,559)

Analysis of cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	2,121,366	3,761,173
Short-term deposits	5,569,806	5,543,905
Total cash and cash equivalents	7,691,172	9,305,078

25 Post balance sheet event

Other creditors relate to amounts due to an organisation of outstanding grant commitments transferred from Northern Rock Foundation under a deed of assignment as part of their winding up process. After the year end the Community Foundation and the grantee agreed to terminate the agreement and in line with the original deed of assignment, the balance of £965,210 was released to an unrestricted fund, creating a credit to income during the 2024 year end.

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Notes to the financial statements for the year ended 31 March 2023
(continued)

26 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.