Community Foundation North East

England & Wales · Charity number 700510

Details

Other names	COMMUNITY FOUNDATION, COMMUNITY FOUNDATION SERVING TYNE & WEAR AND NORTHUMBERLAND, TYNE & WEAR FOUNDATION
Status	Registered
Legal form	Charitable company
Company number	02273708
Registered	1988-08-01
Register	View on the Charity Commission register

Contact

Address	Community Foundation North East Philanthropy House Woodbine Road Gosforth Newcastle Upon Tyne NE3 1DD
Phone	01912220945
Email	general@communityfoundation.org.uk
Website	www.communityfoundation.org.uk

Activities

Objects: THE CHARITY'S OBJECTS ARE FOR THE BENEFIT OF THE PUBLIC GENERALLY, IN PARTICULAR, BUT NOT EXCLUSIVELY, IN THE AREA OF TYNE AND WEAR AND NORTHUMBERLAND:(A) TO PROMOTE AND SUPPORT THE PREVENTION OR RELIEF OF POVERTY OR DISADVANTAGE;(B) TO PRESERVE AND PROTECT HEALTH;(C) TO ADVANCE THE EDUCATION OF THE PUBLIC;(D) 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.

Activities: Community Foundation North East is a generalist grantmaker to charities and community organisations mainly but not exclusively in Tyne and Wear and Northumberland. Its vision is a North East where everyone can be part of thriving, generous and inclusive communities. It also supports development to increase local philanthropy as well as research and partnerships around issues affecting the region.

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Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations
- **What:** General Charitable Purposes
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies, Other Defined Groups

Geography

- **Area of benefit:** TYNE AND WEAR AND NORTHUMBERLAND
- Gateshead
- Newcastle Upon Tyne City
- North Tyneside
- Northumberland
- South Tyneside
- Sunderland

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£11,812,352	£10,652,347	£103,596,428	24
2024-03-31	£9,401,890	£9,989,983	£103,197,166	24
2023-03-31	£5,871,873	£9,304,115	£96,177,804	23
2022-03-31	£6,370,704	£10,002,770	£104,092,926	24
2021-03-31	£10,462,492	£8,496,497	£102,053,230	24

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Trustees

Name	Role	Appointed
Philip James Moorhouse	Chair	2021-10-18
Claire Malcolm		2019-03-12
Colin Thompson Hewitt		2021-10-18
Dawn Creighton		2025-10-13
Dr Laura Elizabeth Warwick		2018-11-07
Fiona Standfield		2022-10-17
Gillian Baker		2019-06-18
Lucia Bridgeman		2025-10-13
Michael Keith Brodie		2020-02-10
Pamela Smith		2023-10-11
Paul Neil Farquhar		2018-03-13
STELLA SIMBO		2022-10-17
Sarah Brown		2022-10-17

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Community Foundation North East

England & Wales - Charity number 700510

Accounts

Community Foundation North East

(formerly known as Community Foundation serving Tyne & Wear and Northumberland)

(A company limited by guarantee)

Annual financial statements
for the year ended 31 March 2025

Community Foundation North East

(A company limited by guarantee)

Annual financial statements for the year ended 31 March 2025

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Community Foundation North East

Annual report for the year ended 31 March 2025

Introduction

The Board presents its report and the audited consolidated financial statements for the year ended 31 March 2025.

The Charity's full name is Community Foundation North East changing its name from Community Foundation serving Tyne & Wear and Northumberland on 16 September 2025.

The Community Foundation North East'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 North East comprises four separate organisations whose financial statements and activities are consolidated within the group. They are as follows:

- Community Foundation North East – 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 North East (Group). 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 North East. 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 North East is sole trustee.

The Community Foundation North East 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 North East is a member of UK Community Foundations (UKCF), registered charity number 1004630, which supports and promotes good practice between community foundations in the United Kingdom. The Community Foundation North East manages certain funding programmes on contracts from UK Community Foundations but is not otherwise subject to any governance arrangements with UK Community Foundations.

Annual report for the year ended 31 March 2025 (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

CCLA Investment Management Limited
One Angel Lane
London
EC4R 3AB

Cazenove Capital
1 London Wall Place
London
EC2Y 3AB

Solicitors

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

Annual report for the year ended 31 March 2025 (continued)

Structure, governance and management

The Community Foundation North East is a limited company governed by Memorandum and Articles of Association drawn up in 1988 and amended in 1990, 2000, 2007, 2017, 2018, 2021 and 2025.

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 North East 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.

There are arrangements for induction, training and support of Board members. 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 skills and experience of the Board members and may arrange 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 North East 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.

Annual report for the year ended 31 March 2025 (continued)

Structure, governance and management (continued)

The Board appoints sub-committees and working groups, which are responsible for more detailed oversight of strategy and activities within their area of responsibility. The sub-committees and working groups meeting during the year were:

- Finance and Resources Committee (F&R)
- Investment Committee (Inv)
- Nominations Committee (Nom)
- NorthEast100 development group (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	(F&R, Inv, Nom, NE100)
Lucy Winskell OBE – Deputy Chair from October 2022 elected December 2016	(F&R, NE100, Nom)
Paul Farquhar - Treasurer co-opted March 2018	(F&R, Inv)
Jill Baker co-opted June 2019	
Michael Brodie CBE co-opted February 2020	(Nom, Inv)
Sarah Glendinning co-opted October 2022	(NE100)
Andrew Haigh elected December 2016	(Inv)
Colin Hewitt elected October 2021	(F&R)
Claire Malcolm MBE co-opted March 2019	(F&R)
Pam Smith appointed October 2023 to represent statutory authorities	(NE100)
Laura Warwick appointed November 2018	(Nom)
Stella Simbo elected October 2022	(Nom)
Fiona Standfield co-opted October 2022	(Inv)

At the AGM in autumn 2025, Claire Malcolm, Stella Simbo, Sarah Glendinning, Jill Baker and Fiona Standfield come to the end of a three -year term and are eligible for re-election/re-co-option. Lucy Winskell and Andrew Haigh will retire at the AGM having served their maximum term.

Annual report for the year ended 31 March 2025 (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 North East. 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 North East'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 OBE	Chief Executive Officer
Sonia Waugh	Chief Finance and Operating Officer
John Hollingsworth	Chief Philanthropy and Development Officer
Adam Lopardo	Chief Funding and Partnerships Officer

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

The Board has a remuneration policy which covers the arrangements for setting salaries throughout the organisation including those staff responsible for day-to-day management. The Community Foundation North East 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 North East's executive staff must have significant expertise so it must be able to draw from the best talent in a competitive market. Executive 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.

Annual report for the year ended 31 March 2025 (continued)

Objectives and activities

The Community Foundation North East'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 North East's operational mission is to build a thriving, generous and inclusive North East today, and for generations to come by inspiring philanthropy, investing in communities and influencing change. The strategic focus is on five impact areas: tackle poverty, widen access to opportunity, improve health and community safety, strengthen culture and community life, and sustain the environment.

The Community Foundation North East 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 North East 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 North East also devotes resources to non-financial sector support, research, development and donor education which aim to increase local philanthropy.

Public benefit

The Community Foundation North East 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 9 of this report.

Strategic report

Achievements and performance

2024-25 was the final year of the Community Foundation North East's strategy to 2025. Achievements against the five goals set in that strategy during the year are set out below. More detailed descriptions of activities and their impact are included in the Community Foundation North East's yearbook.

Annual report for the year ended 31 March 2025 (continued)

Strategic report (continued)

Achievements and performance (continued)

Goal 1: enable more and better philanthropy

- £4.4m in endowment gifts and £4.9m in revenue gifts were received.
- 9 new funds were established.
- Donor events held in Newcastle, Northumberland and London
- Conducted an anonymous donor satisfaction survey

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

- 1,224 grants (2024: 1,253) totalling £8.93m (2024: £8.48m) 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 601 organisations and 57 individuals were supported. The table below shows the breakdown by fund type.

Fund type	No of grants	Total awards
Individual and family funds	407	2,184,873
Corporate funds	195	886,872
Charity and trust funds	251	1,685,078
Collective funds	194	542,566
Projects and partnership funds	158	2,578,672
Agency funds (benefiting a named organisation)	19	1,050,755
Total grants awarded by the full Group	**1,224**	**8,928,816**

- Ran programmes with Newcastle and Gateshead Councils and took on the new Mayor's Opportunity Fund for the North East Combined Authority.
- 87 organisations benefited from trustee- and skills-matching, training and pro bono consultancy.

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

- Published 10 Vital Signs reports.
- Ran our On the Table community conversations initiative engaging nearly 1,000 people.
- We delivered the Know Your Neighbourhood programme in partnership with DCMS and UKCF.

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

- Received c. £3m legacy from the estate of Steve and Christine Convey
- Received additional £1m from Newcastle Building Society via dormant assets
- Published ESG and net zero data against our responsible investment commitments.
- Rationalised our property holdings.

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

- Undertook strategy review and development of new goals based on wide engagement of stakeholders.
- Began energy efficiency retrofit of our office premises.
- Maintained excellence in the Better Health at Work accreditation.
- Introduced online booking system to allow community organisations to use our meeting space for free.

Annual report for the year ended 31 March 2025 (continued)

Strategic report (continued)

Fundraising

The Community Foundation North East is registered with the Fundraising Regulator which is the independent regulator of charitable fundraising. The approach we take to fundraising in the organisation 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.

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

Social investments (previously shown as 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 North East to ensure continuity of the programme, with both sides signing the novation of the Loan Fund on 12 April 2016. The full value of the novation of £3m was recognised within donations to restricted funds at the time of the novation.

Financial review

Net assets at 31 March 2025 were £103.60m (2024: £103.20m). £97.19m of the assets related to endowment funds (2024: £95.84m). The total unrealised and realised losses on investments amounted to £0.76m (2024: gains £7.61m). There were new donations to the endowment funds during the year of £4.44m (2024: £2.08m), and fees and transfers out of endowment of £2.39m (2024: £3.08m). 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 21. The investments were managed throughout the year by Cazenove Capital, Rathbone Investment Management and CCLA Investment Management 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.

Annual report for the year ended 31 March 2025 (continued)

Strategic report (continued)

Financial review (continued)

The Investment Committee monitors the managers' performance in relation to benchmarks 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 Cazenove Capital.

Clear guidelines have been agreed in relation to investment strategy and these are reviewed by the Investment Committee. On the full year's performance, the main fund delivered a total return average estimate of 1.68% (net of fees) which is behind the target return of 6% plus CPI (8.6%). The Board were content with performance on the funds in light of the difficult financial market conditions.

Total income and endowment for the year totalled £11.81m (2024: £9.40m). The main sources of income were new donations and investment income. The main resources expended were for charitable grants of £8.82m net (2024: £8.32m net).

Financial review - reserves

The Statement of Financial Activities shows the movement in the year of the Community Foundation North East'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 2025 of £2,614,063 includes £1,572,062 set aside for designated funds which are solely for future grant-making, and the balance of £1,042,001 (the Administrative fund) less fixed assets of £69,091, £972,910 is the general reserve available to meet future administration and development expenditure. The Board reviewed its reserve levels in March 2025 and designated £95,000 of the general reserves to support running costs during the 2025-26 financial year. The Board sets a maximum level of reserves to allow the Community Foundation North East 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 £877,910 which is slightly above the range calculated, minimum level of £426,000 and the maximum £838,000. The Board is confident that reserves and the overall assets of the Community Foundation North East are sufficient to continue as a going concern.

Plans for future periods

In March 2025 the Board agreed a new strategy which sets out our vision for a North East where everyone can be part of thriving, generous and inclusive communities. The strategy describes how we will use our resources towards our mission, based on evidence, experience and listening to communities. It is, subject to review each year, designed to take up to at least 2028 when we will mark our 40th anniversary. The strategy also saw the adoption of a refreshed identity as Community Foundation North East. While our roots are firmly in Tyne and Wear and Northumberland, our new name recognises that our donors, funding and research cover a wider area.

Annual report for the year ended 31 March 2025 (continued)

Strategic report (continued)

Plans for future periods (continued)

To achieve our mission and address our five impact areas, the strategy has three pillars and a set of enablers with associated key performance indicators (KPIs).

Inspire philanthropy: we will be the North East's go-to place for philanthropy, engaging more people and business in giving money, time and expertise, and using our knowledge to ensure current and future donors have the most impact.

- Be on track to add at least £10m in new gifts to endowment by 2030.
- Secure at least £1.5m through annual donor revenue funds
- Average 70% of annual grant-making from philanthropic endowment and revenue funds (excluding third-party programmes)

Invest in communities: we will harness more funding and support to have a long-term impact on the challenges facing our region's communities.

- Grow annual grant-making to £10m by 2030
- Lever third-party programmes worth at least £3m annually
- 10% minimum funding annually to support each impact area
- Grow core/unrestricted support to 65% of total awarded annually

Influence change: we will shine a light on our region's challenges and use our knowledge and networks to champion actions which better address them.

- 80% of donors, partners and grantees reporting that our policy and research initiatives are important.

Enablers: governance, people, operations, finance and communications.

- 90% satisfaction rate among donors, grantees, staff and trustees
- 6% total return on investments plus inflation averaged over 5 years
- Break-even operating budgets annually factoring in designated reserves

Our priorities for 2025-26 are as follows.

- Launch strategy and refreshed branding, and new communications plan.
- Introduce changes to unrestricted and discretionary funds to support strategic funding goals
- Deliver a North East Roots Homecoming series of events to engage the region's diaspora
- Develop our policy and public affairs function
- Produce a new plan to align pro bono work and training with the strategy
- Implement a legacy giving campaign
- Review and implement changes to donor onboarding
- Complete retrofit of our office premises
- Complete change of our legal name following adoption of new operating name
- Review risk appetite and the risk register
- Recruit to trustee vacancies and review appointments of vice-presidents

Annual report for the year ended 31 March 2025 (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 North East is exposed. The Board has committed to continue to review the risk policy every three years. The risk register is reviewed quarterly by the Finance and Resources Committee, and any significant changes reported to the Board. Every year, the Board receives a report on risk and approves an updated risk register.

The highest risks identified in the most recent register dated March 2025 were:

- Losing significant asset value
- System breach or failure

The Board reviews controls already in place for mitigating risks and identifies further treatment or monitoring required to manage the identified risks. The first risk noted above is linked to the performance and drawdown from the Community Foundation North East'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 North East'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 still a concern together with other global issues and the Board will continue to keep these under close review. The second risk is in recognition of the general risk of breach or failure of systems but also the overall increased risk faced by all organisations of cyber crime, both in the number and the sophistication of attacks. The Community Foundation North East regularly reviews its protection and other systems and has vulnerability tests carried out to help mitigate this risk. It has maintained Cyber Essentials + accreditation. Systems are backed up regularly.

Statement of trustees' responsibilities

The trustees (who are also directors of Community Foundation North East 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. 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 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;

Annual report for the year ended 31 March 2025 (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 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 of which the group's auditors are unaware; and
- the trustees 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 auditor 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

24 September 2025

Community Foundation North East

Independent Auditor's Report to the Members of Community Foundation North East

We have audited the financial statements of Community Foundation North East (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2025, 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 applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 2025 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 and parent charitable company 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

Independent Auditor's Report to the Members of Community Foundation North East (continued)

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Trustees' Report for the financial year for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, 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 (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

Independent Auditor's Report to the Members of Community Foundation North East (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk and irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiries with management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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: compliance with the UK Companies Act and the Charities Act.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation .The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report to the Members of Community Foundation North East (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: 8.10.25

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

Community Foundation North East

Consolidated statement of financial activities for the year ended 31 March 2025

	Note	Unrestricted funds	Restricted funds	Endowment funds	**Total 2025**	Total 2024
		£	£	£	**£**	£
Income and endowments from:						
Donations and legacies	**3**	487,682	4,463,375	4,441,947	**9,393,004**	7,031,844
Charitable activities	**4**	62,554	-	-	**62,554**	45,991
Other trading activities	**5**	29,000	2,000	-	**31,000**	11,093
Investment income	**6**	1,295,057	1,030,737	-	**2,325,794**	2,312,962
Total income and endowments		1,874,293	5,496,112	4,441,947	**11,812,352**	9,401,890
Expenditure on:						
Raising funds	**8**	343,457	-	-	**343,457**	321,825
Investment management costs		-	-	319,403	**319,403**	266,515
Charitable activities	**9**	3,223,308	6,766,179	-	**9,989,487**	9,401,643
Total expenditure		3,566,765	6,766,179	319,403	**10,652,347**	9,989,983
Net (losses)/gains on investments		-	(49,000)	(711,743)	**(760,743)**	7,607,455
Net income/(loss)		(1,692,472)	(1,319,067)	3,410,801	**399,262**	7,019,362
Transfers between funds		1,771,245	296,466	(2,067,711)	-	-
Net movement in funds		78,773	(1,022,601)	1,343,090	**399,262**	7,019,362
Reconciliation of funds:						
Total funds brought forward		2,535,290	4,818,413	95,843,463	**103,197,166**	96,177,804
Total funds carried forward		2,614,063	3,795,812	97,186,553	**103,596,428**	103,197,166

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 North East

Consolidated income and expenditure account for the year ended 31 March 2025

	Note	2025	2024
		£	£
Income - continuing operations			
Donations and legacies		**4,951,057**	4,949,653
Charitable activities	**4**	**62,554**	45,991
Other trading activities	**5**	**31,000**	11,093
Investment income	**6**	**2,325,794**	2,312,962
		7,370,405	7,319,699
Expenditure - continuing operations			
Grants	**9**	**8,816,944**	8,322,614
Staff costs	**10**	**1,121,564**	1,074,263
Other costs		**394,436**	326,591
		10,332,944	9,723,468
Net loss on investments		**(49,000)**	(5,000)
Net loss for the year before transfers and taxation		**(3,011,539)**	(2,408,769)
Transfer from endowment fund		**2,067,711**	2,813,676
Taxation	**15**	-	-
Net (deficit)/surplus for the year		**(943,828)**	404,907

The total income of £7,370,405 comprises £1,874,293 for unrestricted funds and £5,496,112 for restricted funds as shown in the statement of financial activities. The total expenditure of £10,332,944 comprises £3,566,765 for unrestricted funds and £6,766,179 for restricted funds as shown in the statement of financial activities.

Community Foundation North East

Balance sheets as at 31 March 2025
Registered company number 02273708

	Note	**Group 2025** £	Group 2024 £	**Charity 2025** £	Charity 2024 £
Fixed assets					
Endowment fund investments	**11**	**96,125,181**	94,836,862	**92,993,304**	91,571,022
Social and other investments	**11**	**1,016,904**	939,356	**1,017,004**	939,456
Tangible assets	**12**	**665,341**	635,036	**665,341**	635,036
Total fixed assets		**97,807,426**	96,411,254	**94,675,649**	93,145,514
Current assets					
Debtors	**13**	**1,778,952**	718,524	**1,755,723**	695,445
Cash on short-term deposit		**4,613,936**	4,560,155	**4,613,936**	4,560,155
Cash at bank and in hand		**1,863,546**	3,604,748	**1,760,768**	3,520,908
Total current assets		**8,256,434**	8,883,427	**8,130,427**	8,776,508
Creditors: amounts falling due within one year	**14**	**(2,467,432)**	(2,097,515)	**(2,460,432)**	(2,086,960)
Net current assets less current liabilities		**5,789,002**	6,785,912	**5,669,995**	6,689,548
Total assets		**103,596,428**	103,197,166	**100,345,644**	99,835,062
The funds of the charity:					
Endowment funds	**16**	**97,186,553**	95,843,463	**94,054,676**	92,577,623
Restricted income funds	**17**	**3,795,812**	4,818,413	**3,676,905**	4,722,149
Unrestricted income funds	**18**	**2,614,063**	2,535,290	**2,614,063**	2,535,290
Total charity funds		**103,596,428**	103,197,166	**100,345,644**	99,835,062

The financial statements on pages 17 to 50 were approved by the Board on 24 September 2025 and were signed on their behalf by:

Phil Moorhouse
Chair

Paul Farquhar
Treasurer

Community Foundation North East

Consolidated cash flow statement for the year ended 31 March 2025

	Note	2025 £	2024 £
Cash flows from operating activities:			
Net cash used in operating activities	**23**	**(6,272,476)**	(5,617,874)
Cash flows from investing activities:			
Dividends and interest from investments		**2,325,794**	2,312,962
Purchase of fixed assets		**(56,076)**	(4,423)
Proceeds from the sale of investments		**20,975,464**	45,035,581
Purchase of investments		**(22,975,526)**	(43,264,659)
Social investments drawn down		**(126,548)**	(70,047)
Net cash provided by investing activities		**143,108**	4,009,414
Cash flows from financing activities:			
Receipt of endowment		**4,441,947**	2,082,191
Net cash provided by financing activities		**4,441,947**	2,082,191
Change in cash and cash equivalents in the year		**(1,687,421)**	473,731
Cash and cash equivalents at the beginning of the year	**23**	**8,164,903**	7,691,172
Cash and cash equivalents at the end of the year	**23**	**6,477,482**	8,164,903

Community Foundation North East

Notes to the financial statements for the year ended 31 March 2025

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

The financial statements consolidate the results of the Charity and its wholly-owned subsidiaries, Joseph Brough Charitable Trust, Tyne & Wear Foundation Limited and Tyne and Wear Foundation Trust, on a line by line basis using consistently applied accounting policies.

No separate SOFA has been presented for the Charity alone as permitted by section 408 of the Companies Act 2006.

b) Going concern

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

c) Incoming resources

Income is recognised in the period in which it is receivable unless the Charity has to fulfil conditions before becoming entitled to it or if the donor has specified that the income is to be expended in a future period, in which case it is deferred. Donations are accounted for in the period in which they are received or receipt is probable and the charity is entitled to the donation at that point in time. All donations are derived from the UK. Investment income is recognised on an accruals basis. Grants from the Government and other agencies have been included as income from charitable activities where these amount to a contract for services.

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

Notes to the financial statements for the year ended 31 March 2025 (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 North East'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 £3,294,291(2024: £2,902,300) in excess of investment income, was transferred from the main and ethical endowment funds to restricted (£1,591,653) and unrestricted (£1,702,638) 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 nil was withdrawn during the year (2024:£nil).

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 2025 and the Directors consider the valuations to be reasonable.

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

Notes to the financial statements for the year ended 31 March 2025 (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.

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) Social Investments

Social 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 North East 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 £ 1,475,090 has been advanced. NESIC use these loans to invest directly into The North East Social Investment Fund (NESIF). The total advanced of £1,740,904 is shown as a social 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 £724,000 has been provided against the recoverability of the Programme Related Investment.

The loan agreement allowed 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 were received during the 10-year loan fund period as all funds were be retained in the loan fund with NESIF during the investment period. At December 2024 £1,259,096 remained in the loan fund. The Board agreed to transfer the balance to the Strategic unrestricted endowment fund.

Notes to the financial statements for the year ended 31 March 2025 (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 North East 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.

Notes to the financial statements for the year ended 31 March 2025 (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:

- Social 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 Social Investment fund, being reduced.

Notes to the financial statements for the year ended 31 March 2025 (continued)

2 Statement of Financial Activities prior year fund comparatives

	Unrestricted funds	Restricted funds	Endowment funds	**Total 2024**
	£	£	£	**£**
Income and endowments from:				
Donations and legacies	1,599,706	3,349,947	2,082,191	**7,031,844**
Charitable activities	45,991	-	-	**45,991**
Other trading activities	8,500	2,593	-	**11,093**
Investment income	1,245,829	1,067,133	-	**2,312,962**
Total income and endowments	2,900,026	4,419,673	2,082,191	9,401,890
Expenditure on:				
Raising funds	321,825	-	-	**321,825**
Investment management costs	-	-	266,515	**266,515**
Charitable activities	3,443,038	5,958,605	-	**9,401,643**
Total expenditure	3,764,863	5,958,605	266,515	**9,989,983**
Net (losses)/gain on investments	-	(5,000)	7,612,455	**7,607,455**
Net income/(loss)	(864,837)	(1,543,932)	9,428,131	**7,019,362**
Transfers between funds	1,335,022	1,478,654	(2,813,676)	-
Net movement in funds	470,185	(65,278)	6,614,455	**7,019,362**
Reconciliation of funds:				
Total funds brought forward	2,065,105	4,883,691	89,229,008	**96,177,804**
Total funds carried forward	2,535,290	4,818,413	95,843,463	**103,197,166**

Notes to the financial statements for the year ended 31 March 2025 (continued)

3 Donations and legacies

	2025	2024
	£	£
Donations	**6,644,791**	5,607,666
Legacies	**2,748,213**	1,424,178
	9,393,004	7,031,844

4 Charitable activities

	2025	2024
	£	£
Other charitable activities	**62,554**	45,991

5 Other trading activities

	2025	2024
	£	£
Other trading activities	**31,000**	11,093

6 Investment income

	2025	2024
	£	£
Dividends and interest from endowment fund assets	**2,034,125**	2,049,198
Interest receivable on cash deposits	**291,669**	263,764
	2,325,794	2,312,962

Notes to the financial statements for the year ended 31 March 2025 (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
			2025	2024
	£	£	**£**	£
Support staff costs	36,336	177,251	**213,587**	194,455
Governance staff costs	10,217	49,841	**60,058**	61,198
Overhead costs	54,920	192,561	**247,481**	241,964
Governance direct costs	8,065	28,595	**36,660**	32,259
	109,538	448,248	**557,786**	529,876

Included in overhead costs are the following:	**2025**	2024
	£	£
Auditors' remuneration – audit services	**16,740**	15,500
Depreciation	**25,771**	27,272

8 Costs of raising funds

	2025	2024
	£	£
Staff costs	**197,417**	195,983
Direct costs	**36,502**	15,442
Support costs (Note 7)	**109,538**	110,400
	343,457	321,825

Notes to the financial statements for the year ended 31 March 2024 (continued)

9 Charitable activities

The Community Foundation North East undertakes its charitable activities through grant-making.

	2025	2024
	£	£
Grants payable	**8,816,944**	8,322,614
Staff costs	**650,502**	622,627
Direct costs	**73,793**	36,926
Support costs (Note 7)	**448,248**	419,476
	9,989,487	9,401,643

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

	2025	**2025**	2024	2024
	£	**Number**	£	Number
Other charities and voluntary organisations	**8,876,880**	**1,167**	8,369,478	1,212
Individuals	**51,936**	**57**	48,250	41
Total new grants awarded in the year	**8,928,816**	**1,224**	8,417,728	1,253
Grants cancelled	**(111,872)**		(95,114)	
Total grant expenditure	**8,816,944**		8,322,614	

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

Notes to the financial statements for the year ended 31 March 2025 (continued)

10 Staff costs

Staff costs comprise the following:	**2025**	2024
	£	£
Wages and salaries	**963,996**	926,102
Social security costs	**98,239**	92,192
Other pension costs	**59,329**	55,969
	1,121,564	1,074,263

The average number of employees, excluding Trustees/Board Directors, employed by the Group during the year was 24 (2024: 24), full time equivalent 21.7 (2024: 21.8). The ratio of the highest salary to the median salary was 2.32:1 (2024: 2.34:1). The gross salary in the year relating to the executive members of staff responsible for the day-to-day management of the Charity was £301,300 (2024: £287,299) plus £19,473 (2024: £18,475) paid in employer pension contributions.

The Community Foundation North East 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 2024 and 5 April 2025 below:

	5 April 2025	5 April 2024
Mean gender pay gap	**22%**	17%
Median gender pay gap	**20%**	12%

None of the Trustees/Board Directors received any remuneration during the year (2024: Nil). 2 of the Directors received reimbursements for expenses during the year of £387 in total (2024: £1,302).

During the year employees with emoluments over £60,000 were in the following bands:	**2025**	2024
	Number	Number
£60,000 to £70,000	**2**	2
£70,000 to £80,000	**1**	-
£90,000 to £100,000	**1**	1

Notes to the financial statements for the year ended 31 March 2025 (continued)

11 Investments

Endowment fund investments - Group

At valuation	Listed investments £	Deposit & other cash balances £	Freehold property £	Total £
At 1 April 2024	90,782,945	3,478,917	575,000	**94,836,862**
Additions/movement in the year	21,360,239	1,615,287	-	**22,975,526**
Disposals in the year	(20,823,091)	-	(152,373)	**(20,975,464)**
Realised (losses)/gains in the year	(139,518)	-	27,373	**(112,145)**
Unrealised (losses)/gains in the year	(749,598)	-	150,000	**(599,598)**
At 31 March 2025	**90,430,977**	**5,094,204**	**600,000**	**96,125,181**
At cost				
At 31 March 2025	**81,287,409**	**5,094,204**	**154,000**	**86,535,613**
At 31 March 2024	75,207,517	3,478,917	254,000	78,940,434

Listed investments are detailed as follows:	2025 Market Value £	2024 Market Value £
UK Fixed Interest	**4,391,725**	4,433,557
UK Equities	**10,381,696**	13,534,446
Property	**1,474,333**	1,455,341
Overseas Fixed Interest	**3,182,944**	2,452,158
Overseas Equities	**47,369,751**	44,656,871
Collective Investment Schemes	**18,906,622**	19,819,033
Other	**4,723,906**	4,431,539
	90,430,977	90,782,945

Notes to the financial statements for the year ended 31 March 2025 (continued)

11 Investments (continued)

Social Investments – Charity and Group

	Total
	£
Loaned amounts	
At 1 April 2024	1,614,356
Advances during the year	126,548
Repayments	-
At 31 March 2025	**1,740,904**
Provisions	
At 1 April 2024	675,000
Provided against during the year	49,000
Provision released during the year	-
At 31 March 2025	**724,000**
Net loaned amounts	
At 31 March 2025	**1,016,904**
At 31 March 2024	939,356

Endowment fund investments - Charity

At valuation	**Listed investments £**	**Deposit & other cash balances £**	**Freehold property £**	**Total £**
At 1 April 2024	87,517,105	3,478,917	575,000	**91,571,022**
Additions/movement in the year	21,360,239	1,615,287	-	**22,975,526**
Disposals in the year	(20,823,091)	-	(152,373)	**(20,975,464)**
Realised gains (losses) in the year	(139,518)	-	27,373	**(112,145)**
Unrealised gains (losses) in the year	(615,635)	-	150,000	**(465,635)**
At 31 March 2025	**87,299,100**	**5,094,204**	**600,000**	**92,993,304**
At cost				
At 31 March 2025	**78,537,692**	**5,094,204**	**154,000**	**83,785,896**
At 31 March 2024	72,457,800	3,478,917	254,000	76,190,717

Notes to the financial statements for the year ended 31 March 2025 (continued)

11 Investments (continued)

Listed investments are detailed as follows:	**2025 Market Value £**	2024 Market Value £
UK Fixed Interest	**4,391,725**	4,433,557
UK Equities	**10,381,696**	13,534,446
Property	**1,474,333**	1,455,341
Overseas Fixed Interest	**3,182,944**	2,452,158
Overseas Equities	**47,369,751**	44,656,871
Collective Investment Schemes	**15,774,745**	16,553,193
Other	**4,723,906**	4,431,539
	87,299,100	87,517,105

Other investments – Charity

At cost and valuation	Unlisted investments £
At 1 April 2024	**100**
At 31 March 2025	**100**

Unlisted investments held by the charity relate to a £100 (2024: £100) investment in the subsidiary company Tyne & Wear Foundation Limited at cost. At 31 March 2025 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 for a period of 10 years to December 2024. At December 2024 there was an undrawn balance of £1,259,096 on the loan fund and the Board agreed to transfer these funds to the Strategic unrestricted endowment fund. At the year end the restricted reserve balance was £1,016,904 (note 17) (2024: £2,325,000) which is the total amount of funds advanced of £1,740,904 less the aggregate amortisation to date charged against the restricted fund.

Realised gains and losses are calculated based on the market value brought forward plus any additions in the year. Total net realised gains calculated using historical cost was £1,798,707 for the full group (2024: £4,196,740). No single investment accounts for more than 5% of the endowment fund investments.

Notes to the financial statements for the year ended 31 March 2025 (continued)

12 Tangible fixed assets

Group and Charity

	Land & Buildings £	Furniture & equipment £	Office improve-ments	Total £
Cost				
At 1 April 2024	750,000	81,044	49,890	880,934
Additions	-	9,355	46,721	56,076
Disposals	-	(6,417)	-	(6,417)
At 31 March 2025	**750,000**	**83,982**	**96,611**	**930,593**
Accumulated Depreciation				
At 1 April 2024	138,750	73,505	33,643	245,898
Charge for the year	15,000	4,615	6,156	25,771
Disposals	-	(6,417)	-	(6,417)
At 31 March 2025	**153,750**	**71,703**	**39,799**	**265,252**
Net book value				
At 31 March 2025	**596,250**	**12,279**	**56,812**	**665,341**
At 31 March 2024	611,250	7,539	16,247	635,036

13 Debtors

	Group 2025 £	Group 2024 £	**Charity 2025 £**	Charity 2024 £
Other debtors	**1,707,521**	651,232	**1,707,521**	651,244
Dividends and interest receivable	**71,431**	67,292	**48,202**	44,201
	1,778,952	718,524	**1,755,723**	695,445

Notes to the financial statements for the year ended 31 March 2025 (continued)

14 Creditors: amounts falling due within one year

	Group 2025 £	Group 2024 £	**Charity 2025 £**	Charity 2024 £
Other creditors and accruals	**514,024**	433,071	**514,024**	433,071
Taxation and social security costs	**26,177**	24,646	**26,177**	24,646
Grants payable	**1,927,231**	1,639,798	**1,920,231**	1,629,243
	2,467,432	2,097,515	**2,460,432**	2,086,960

15 Taxation

As registered charities, the Community Foundation North East, 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.

	2025 £	2024 £
Corporation tax payable	-	-

Notes to the financial statements for the year ended 31 March 2025 (continued)

16 Endowment funds

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

	Group	Charity
	£	£
At 1 April 2024	95,843,463	92,577,623
Transfers between funds:		
Total returns endowment withdrawal	(3,294,291)	(3,294,291)
Transfers to endowment from income funds	1,285,517	1,285,517
Exceptional withdrawal from endowment funds	(58,937)	(58,937)
Net income before transfers	3,410,801	3,544,764
At 31 March 2025	**97,186,553**	**94,054,676**

The Community Foundation North East (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 £3,294,291 and is shown as a transfer from the endowment fund. A withdrawal of £6,120 was made from the Jeremy Beecham Schools Fund, £41,873 from The Enid Blyton Fund for Seven Stories and £10,944 from the Ivy and Gilbert Purvis Fund, all of which were used to cover grant-making commitments during the year.

Notes to the financial statements for the year ended 31 March 2025 (continued)

17 Income funds - restricted

The Community Foundation North East 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 individuals and companies who have set up funds within the Community Foundation North East 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 2025 have received sufficient funds to return them to credit.

	At 1 April 2024 £	Income & transfers £	Grants £	Other outgoings & transfers £	**At 31 March 2025** £
Frank Acfield	-	946	946	-	-
Abbot Memorial Grants	1,100	-	-	-	1,100
Akzo Nobel International Paint	641	4,053	4,700	-	(6)
Akzo Nobel International Paint Community First	-	-	-	-	-
Amec Legacy and Futures	3,256	7,085	8,000	-	2,341
Asian	618	5,612	4,000	-	2,230
Stuart Ayre	-	1,805	1,805	-	-
Nancy Barbour Award	2,633	5,387	-	-	8,020
Jeremy Beecham Schools	447	6,358	5,950	-	855
Bellingham	(106)	2,536	2,500	-	(70)
Berwick Academy Endowment	7,341	8,712	16,316	-	(263)
Blackett Family Community First	278	3,631	2,500	-	1,410
EDF Energy Blyth Offshore Demonstrator Wind Farm Community Benefit	10,629	76,740	78,635	6,976	1,758
Enid Blyton Fund for Seven Stories	-	87,925	87,925	-	-
Bowey Community First	-	-	-	-	-
Ron & Louise Bowey Grassroots	564	11,871	12,434	-	-
Carolyn and Tony Brookes	2,484	3,387	5,700	-	171
Burnell Community First	-	-	-	-	-
Lawrence Campbell Community First	-	2,649	3,881	-	(1,232)
Canford Audio	685	528	-	-	1,213
Chapman	5,647	24,189	7,755	11,690	10,391
Chronicle Sunshine	100,000	2,414	100,000	-	2,414
Community Accelerator Fund for Northumberland	15,000	-	-	-	15,000
Community Accelerator Fund for Tyneside	20,400	-	-	-	20,400
Community Accelerator Fund for Wearside	15,000	-	5,000	-	10,000
Community Chest (UKSPF)	-	(10,000)	(10,000)	-	-
The Community Infrastructure Levy (CIL)	56,972	258,149	274,977	12,474	27,670
Sir Tom Cowie	2,119	70,224	7,500	-	64,843
Abigail & Stephen Crampton	756	2,285	2,900	-	141
CrecheMobile	10,166	5,098	15,000	-	264
Carried forward	256,630	581,584	638,424	31,140	168,650

Notes to the financial statements for the year ended 31 March 2025 (continued)

17 Income funds - restricted (continued)

	At 1 April 2024	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2025
	£	£	£	£	£
Brought forward	256,630	581,584	638,424	31,140	168,650
The Louise Dalton	1,626	2,828	3,750	-	704
Duncan & Sarah Davidson	2,272	5,846	8,165	-	(47)
Pamela and Dorothy Denham	(7)	2,930	2,294	-	629
Pamela Denham Community First	-	-	-	-	-
Pamela Denham Grassroots	-	484	484	-	-
David Dockray's West End Young People's	8,181	43,938	34,050	-	18,069
Dream Jar	405	1,974	1,850	-	529
Andrew and Charlotte Dixon	1,131	1,289	1,000	-	1,420
The Sir George Earle Benevolent	-	28,000	-	2,800	25,200
The Edwin John Easydorchik Travelling Scholarship	13,502	5,456	12,000	-	6,958
Evangelical	19,734	7,973	24,618	-	3,089
Express Enterprise	1,621	1,118	-	-	2,739
FARNE	72,770	22,938	36,023	-	59,685
David & Gitta Faulkner	2,038	2,041	3,000	-	1,079
Fausta and Rosemary Community First	-	-	-	-	-
Fergusons of Blyth	486	7,359	7,000	-	845
Fogo Community First	-	-	0	-	-
The Gateshead VCSE	-	651,000	612,129	-	38,871
David Goldman Awards	-	28,267	28,267	-	-
Allison Greenlees Continuation	-	5,833	3,000	2,833	-
The EDF Energy Green Rigg Wind Farm Community Benefit	40,545	40,806	24,934	3,600	52,817
The EDF Energy Renewables Barmoor Windfarm Community Benefit	95,023	89,728	92,258	8,157	84,336
Jackie Haq Fund for Scotswood	3,209	2,252	-	-	5,461
Henderson Family	3,155	1,412	-	-	4,567
Heyman Travelling Scholarships	7,408	9,710	9,833	-	7,285
Joy Higginson Fund for Children North East	-	2,295	2,295	-	-
Hokey Cokey Community First	-	-	-	-	-
Hoult Family Community First	-	-	-	-	-
Hoult Family Grassroots	665	2,479	3,100	-	44
The HunterPemberton Community First	3,306	2,204	5,499	-	11
JesDesStaff	-	2,574	2,574	-	-
RWE Renewables UK Kiln Pit Hill Wind Farm Community	39,075	26,107	23,052	2,373	39,757
Joyce Trust	3,994	12,602	4,000	-	12,596
Josephs Family	(1)	1,262	1,000	-	261
JPMorgan	4,258	2,317	-	-	6,575
Kellett	129,794	359,793	448,616	-	40,971
Carried forward	710,820	1,956,399	2,033,215	50,903	583,101

Notes to the financial statements for the year ended 31 March 2025 (continued)

17 Income funds - restricted (continued)

	At 1 April 2024	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2025
	£	£	£	£	£
Brought forward	710,820	1,956,399	2,033,215	50,903	583,101
Kerry Community First Endowment	280	1,188	-	-	1,468
Kerry Grassroots	118	3,105	-	-	3,223
June King	1	3,780	-	-	3,781
Latterford	3,073	690	2,000	-	1,763
Lendrum Community First	1,073	15,014	13,000	2,338	749
Capt. C.D. Leyland	6,838	3,884	1,000	-	9,722
Linden Community First	-	-	-	-	-
Local Environmental Action	3,048	15,702	14,960	-	3,790
George Loggie	2,100	1,206	2,250	-	1,056
The Lady Betty and Sir Lawrence Martin	5,349	13,045	9,915	-	8,479
The Mayor's Opportunity	-	234,678	234,678	-	-
Grigor McClelland Community First	804	-	-	-	804
Moor	-	1,643	1,643	-	-
Alan Morse Grassroots	-	1,200	-	-	1,200
Nadara Sisters North Steads Wind Farm Community Benefit	164,069	190,324	182,697	17,142	154,554
Nash	(695)	9,769	9,074	-	-
NEF Grassroots	3,124	1,614	3,740	-	998
NET Coronavirus Appeal	2	-	-	2	-
Newcastle Culture Investment	10,425	622,620	611,310	22,500	(765)
Newcastle Dispensary Relief in Sickness	723	3,980	2,000	-	2,703
NHS North East and North Cumbria Northern Cancer Alliance	-	102,751	29,556	9,341	63,854
North East Cultural Learning	(856)	8,920	8,000	-	64
North East Endowment for Musical Traditions	7,624	6,273	12,213	-	1,684
North East Fund for the Arts	5,331	6,632	6,000	-	5,963
The North East Roots	99,274	74,734	61,336	5,375	107,297
North East Roots Homecoming	-	10,000	-	-	10,000
North East Social Investment	2,325,000	-	-	1,308,096	1,016,904
Northern Angel Fund for Berwick	9,954	25,189	20,598	-	14,545
North Tyneside	-	1,833	1,833	-	-
Northumberland Group	95,425	32,362	39,699	-	88,088
Northumberland High Sheriff Awards	30,608	105,006	71,000	29,346	35,268
Northumberland Village Homes Trust	2,651	113,240	106,074	10,000	(183)
Northumberland Wildlife Trust	-	1,776	1,776	-	-
Out & About	6,813	543,101	72,200	15,125	462,589
The Pargiter Trust	9,750	80,000	81,750	8,000	-
Anne & David Parker	6,058	8,355	9,000	-	5,413
Carried forward	3,508,784	4,200,013	3,642,517	1,478,168	2,588,112

Notes to the financial statements for the year ended 31 March 2025 (continued)

17 Income funds - restricted (continued)

	At 1 April 2024	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2025
	£	£	£	£	£
Brought forward	3,508,784	4,200,013	3,642,517	1,478,168	2,588,112
Participatory Grant-making Fund - Black, Asian and minoritised ethnic communities	100,000	4,000	55,500	6,000	42,500
Participatory Grant-making Fund - Sunderland	(27,520)	39,107	5,000	6,587	-
Patch	5,035	14,657	19,000	-	692
Pea Green Boat Community First	1,003	27,528	34,000	-	(5,469)
Pen & Palette Club Fund within the North East Fund for the Arts	1,556	4,634	2,850	-	3,340
Percy Family	4,881	8,881	14,300	-	(538)
Philanthropy House	749,893	-	-	-	749,893
Playschemes	7,495	103,575	107,801	1,000	2,269
Platten Family Community First	-	-	-	-	-
Port of Tyne	29,391	40,000	28,293	4,000	37,098
Prudhoe League of Friends	6,839	3,545	-	-	10,384
Geoffrey and Ann Purves	-	2,667	-	-	2,667
Ivy and Gilbert Purvis	473	10,945	10,997	473	(52)
Ray Wind Farm Small Grants Programme	1	-	-	-	1
Readman Community First	-	-	-	-	-
Readman Family Grassroots	106,648	67,361	57,002	10,000	107,007
Carrie Reay Grassroots	3,393	3,786	-	4,000	3,179
REEDS Community First	-	-	-	-	-
REEDS Grassroots	20,321	30,952	20,000	3,000	28,273
Riddell Family Community First	158	14,368	13,719	-	807
Riding Grange Grassroots	169	3,129	-	-	3,298
Ringtons Community First	-	-	-	-	-
Riverbank	760	18,965	17,906	1,500	319
Jane Robertson Alnwick	6,676	7,919	7,500	-	7,095
Brian Roycroft	12,847	10,312	13,376	-	9,783
Smail Family	69	4,318	4,387	-	-
Spriggs Family Community First	-	-	-	-	-
Shohba & Trikoli Srivastava Community First	511	198	-	500	209
Sunderland Industrial & Reformatory School	3,056	1,370	1,390	-	3,036
Suz Grassroots	2,061	1,600	3,661	-	-
Taylor	6,680	19,404	22,500	-	3,584
The Glasshouse International Centre for Music	-	678,953	678,953	-	-
The South Tyneside Know Your Neighbourhood	16,382	576,628	577,337	31,953	(16,280)
Third Sector Trends	44,473	10,000	45,000	-	9,473
Thornton Family Grassroots	2,654	3,858	4,945	-	1,567
Tiny Lives	-	153,834	153,834	-	-
Tyne & Wear High Sheriff Awards	4,849	51,338	51,000	2,535	2,652
Carried forward	4,619,538	6,117,845	5,592,768	1,549,716	3,594,899

Notes to the financial statements for the year ended 31 March 2025 (continued)

17 Income funds - restricted (continued)

	At 1 April 2024	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2025
	£	£	£	£	£
Brought forward	4,619,538	6,117,845	5,592,768	1,549,716	3,594,899
Tyne & Wear High Sheriff Community First	-	-	-	-	-
Tyne & Wear Grassroots	279	809	-	481	607
Vicky F Grassroots	1,207	1,342	2,549	-	-
Virgin Money	4,119	3,460	1,418	-	6,161
Vital Gateshead	6,692	7,396	13,582	-	506
Vital Newcastle	5,132	5,232	7,788	-	2,576
Vital North Tyneside	1,990	1,693	2,300	-	1,383
Vital Northumberland	15,993	23,093	28,162	-	10,924
Vital South Tyneside	1,287	1,310	2,600	-	(3)
Vital Sunderland	1,975	6,303	-	3,532	4,747
Waiting Well/Preparing Well	244	-	-	-	244
Ted Weekes	11,863	12,813	5,690	10	18,976
The Wellesley Trust	(1,723)	279,930	234,012	20,000	24,195
The Wellesley Trust Community First	-	-	-	-	-
The 1989 Willan Charitable Trust	9,500	733,233	702,817	39,916	-
Mark and Ian Wilson Family	2,985	2,241	1,000	-	4,226
CH Wood	3,482	4,890	4,500	-	3,872
Women's	35,357	33,982	68,500	-	838
Women's Community First	-	-	-	-	-
Young Musician's	2,229	6,925	6,400	-	2,754
Total Community Foundation North East	**4,722,149**	**7,242,497**	**6,674,086**	**1,613,655**	**3,676,905**
Joseph Brough Charitable Trust	55,597	62,295	43,933	30	73,929
Tyne and Wear Foundation Trust	40,697	19,783	15,424	48	45,008
Tyne & Wear Foundation Limited	(30)	-	-	-	(30)
Total Group	**4,818,413**	**7,324,575**	**6,733,443**	**1,613,733**	**3,795,812**

Income and transfers include credits of £1,591,653 transferred from the main and ethical endowment funds to distribute as income on a total returns basis and £236,810 of other transfers. Other outgoings include transfers between funds of £1,531,997, amortisation of Social Investments of £49,000 and other fund expenses of £32,736 The Women's Fund includes income from Fausta and Rosemary Community First fund, Pamela and Dorothy Denham fund and PZ fund. Brian Roycroft fund includes income from the Tessa Hide fund. Local Environmental fund includes income from Ivy and Gilbert Purvis fund, PZ fund and Sandra King Rainy Day fund. High Sheriff of Northumberland Youth fund includes income from the Burnell Family and Community First funds.

18 Income funds - unrestricted

As well as a general administrative unrestricted fund (included below for completeness) the Community Foundation North East holds the following designated funds which the Directors regard as unrestricted because they are used for general charitable purposes in the Community Foundation North East'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 2025 have received sufficient funds to return them to credit.

Notes to the financial statements for the year ended 31 March 2025 (continued)

18 Income funds - unrestricted (continued)

	At 1 April 2024 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2025 £
Adderstone	-	11,877	11,500	-	377
AJM	1,123	1,223	-	-	2,346
Anonymous	7,368	3,187	6,420	-	4,135
Appletree	(405)	25,001	24,698	-	(102)
Ashington Community Development Trust	10	3,696	2,780	-	926
Barley Hill	1,945	3,805	3,851	-	1,899
Barnes	9	8,714	8,616	-	107
Christopher Beadle	63	5,225	4,000	-	1,288
Charles Robert Bell	11,558	14,597	26,435	-	(280)
John Bell	24,727	64,417	40,180	33,096	15,868
Bellway	-	2,944	-	-	2,944
Sara Alexandra Bernstone	3,810	5,053	8,100	700	63
Bonas Machine Company	2,656	1,844	1,800	-	2,700
Ron and Louise Bowey	14,639	37,474	52,113	-	-
Dawn Brown	-	1,421	1,421	-	-
Stephen Byers	10,725	8,044	12,880	2,500	3,389
The Muriel Campbell	3,980	1,572	4,764	-	788
Carr-Ellison Charitable Trust	1,229	21,755	22,500	-	484
Carroll Savage	(225)	6,194	6,000	-	(31)
Caru	-	100,000	66,000	11,000	23,000
Chrysalis	(5)	1,890	1,900	-	(15)
Community Investment	763,321	-	150,000	11,406	601,915
Steve & Christine Convey	-	21,543	-	-	21,543
Daphne & Martin Cookson	4,773	5,321	9,900	-	194
Roland Cookson Fund for the Charlotte Straker Project	-	69,653	69,653	-	-
Roland Cookson Community	(1,878)	20,832	17,850	1,556	(452)
Coquet	4,211	-	4,211	-	-
Cost-of-living	3,375	-	-	3,375	-
Crozier	-	5,289	-	5,289	-
Curtain PARP	1,995	47,041	55,311	-	(6,275)
John D Endowment	1,451	13,233	15,400	-	(716)
Dickon Trust	(1,233)	73,627	69,675	5,000	(2,281)
Elgon	1,496	1,104	-	-	2,600
Fogo	1,709	34,108	29,637	-	6,180
George and Peggy	3,538	5,697	5,000	-	4,235
Adrian and Ingrid Gifford	290	1,214	-	-	1,504
The Giving Network	9,165	22,654	20,146	974	10,699
Margaret and Dorothy Gordon Memorial	497	1,254	1,800	-	(49)
Groves Family	226	5,467	5,000	-	693
Michael and Christine Heppell	5,629	3,265	3,000	-	5,894
Cynthia Hoare	-	28,512	10,798	-	17,714
Bill and May Hodgson	543	16,829	12,000	2,000	3,372
The Hokey Cokey (that's what it's all about)	3,481	4,007	4,000	-	3,488
I'Anson Family	2,568	2,761	2,700	-	2,629
If only...	-	1,520	1,520	-	-
Carried forward	888,364	714,864	793,559	76,896	732,773

Notes to the financial statements for the year ended 31 March 2025 (continued)

18 Income funds - unrestricted (continued)

	At 1 April 2024	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2025
	£	£	£	£	£
Brought forward	888,364	714,864	793,559	76,896	732,773
Sir James Knott	-	2,172	2,172	-	-
John Laing	4,896	5,165	-	-	10,061
William Leech Charity	17,256	21,298	-	3,000	35,554
Leech Challenge	2,226	3,134	-	3,000	2,360
Brian Lewis	82	-	-	82	-
Linden Family	295	106,993	107,326	-	(38)
FB & PFB Lough	9,240	102,662	86,951	10,000	14,951
Grigor McClelland	34,966	14,210	17,729	6,476	24,971
Daisy Marr	2,080	29,229	27,479	-	3,830
Maudslay Family	1,857	2,363	-	-	4,220
G S May Family	1,975	6,811	6,250	2,250	286
McIntosh	1,554	1,686	-	1,500	1,740
Milburn Briel	8,135	19,884	18,090	-	9,929
Muckle LLP	19,140	65,712	51,390	14,401	19,061
Naylors Gavin Black	2,743	5,032	4,750	-	3,025
Newcastle Building Society Community	28,189	141,059	140,866	959	27,423
Emma Newton	5,182	5,028	6,000	-	4,210
North East Brewers	975	6,270	-	4,117	3,128
Northern Powergrid	13,981	15,904	28,708	-	1,177
Northumbrian Water	8,026	6,336	1,500	-	12,862
Opencast Charitable	3	-	-	3	-
Pattinson Estate Agents	1,611	14,339	14,500	-	1,450
Platten Family	199,588	148,277	162,839	12,938	172,088
PricewaterhouseCoopers	2,561	1,863	1,500	-	2,924
Prime	(1,746)	170,731	145,771	-	23,214
Proudfoot Family	2,172	1,454	3,000	-	626
P&G	(422)	56,561	56,933	-	(794)
Guy Readman endowment	105,974	128,362	104,299	-	130,037
Matthew Ridley	3,224	1,259	-	-	4,483
Ringtons	1	58,832	58,321	-	512
Rolls-Royce	(279)	2,594	-	-	2,315
St Cuthbert's	-	2,099	2,100	-	(1)
John & Barbara Sadler & Jeanette Henderson	2,312	5,826	7,400	-	738
Johnnie & Tricia Smith and Family	83	4,478	2,000	-	2,561
Barry & Faga Speker	662	1,240	500	-	1,402
Spriggs Family	192	1,298	2,000	-	(510)
Squires Foundation	(2,028)	17,115	10,000	1,476	3,611
Shobha and Triloki Srivastava Grassroots	1,463	2,843	3,500	-	806
Star	4,439	9,832	6,000	500	7,771
The Temple	1	-	-	1	-
Tess	8,334	3,086	6,000	3,000	2,420
Brian & Margaret Thompson	-	1,563	1,563	-	-
Treeline	1,323	3,419	3,500	-	1,242
Vaux	218	8,332	-	4,393	4,157
Ward Hadaway	1,487	14,798	15,700	720	(135)
Carried forward	1,382,335	1,936,013	1,900,196	145,712	1,272,440

Notes to the financial statements for the year ended 31 March 2024 (continued)

18 Income funds - unrestricted (continued)

	At 1 April 2024 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2025 £
Brought forward	1,382,335	1,936,013	1,900,196	145,712	1,272,440
Watkin Family	6,297	28,889	35,186	-	-
Weightman	1,532	1,334	3,000	-	(134)
Welch Family	322	1,386	-	-	1,708
Wide Open Road	44	13,463	7,000	-	6,507
Willis Charitable	6,306	10,776	12,500	-	4,582
Marian Winship	-	4,101	-	-	4,101
The Lucy Winskell	-	1,150	1,150	-	-
Winter Family	-	16,030	16,030	-	-
Robert Wood Trust	5,757	4,513	2,496	-	7,774
Other general grant-making funds	233,027	245,253	105,943	97,253	275,084
Total designated funds	1,635,620	2,262,908	2,083,501	242,965	1,572,062
Administrative fund	899,670	1,603,917	-	1,461,586	1,042,001
Total Community Foundation North East	2,535,290	3,863,825	2,083,501	1,701,551	2,614,063
Total Group	2,535,290	3,863,825	2,083,501	1,701,551	2,614,063

Income and transfers include £1,702,638 transferred from the main and ethical endowment funds to distribute as income on a total returns basis and £286,894 of other transfers. Other outgoings and transfers consist of £218,287 transferred between funds, £1,121,564 staff costs, £34,553 designated fund expenses and other net administrative costs of £327,147.

A number of funds contribute to the Community Foundation North East's general unrestricted grant funds, including Crosshatch, Crozier, Tony Follows Legacy, Ian and Jane Gregg, Greggs plc, Sir James Knott Trust, Mitford, Esmee Slattery, Templeton, Three Valleys, Tolent, Tyne Tees Television, and two anonymous funds. Three funds contribute directly to the administrative fund, Ronald Edward William Murray, Brian Lewis and Hadrian Trust. In addition to the funds listed in restricted and unrestricted funds there are 5 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.

19 Analysis of net assets between funds

Group

	Unrestricted funds £	Restricted funds £	Endowment funds £	2025 Total £
Investments	-	1,016,904	96,125,181	**97,142,085**
Tangible fixed assets	69,091	596,250	-	**665,341**
Current assets	3,035,599	4,159,463	1,061,372	**8,256,434**
Current liabilities	(490,627)	(1,976,805)	-	**(2,467,432)**
Total net assets	2,614,063	3,795,812	97,186,553	**103,596,428**

Notes to the financial statements for the year ended 31 March 2025 (continued)

19 Analysis of net assets between funds (continued)

Charity

	Unrestricted funds	Restricted funds	Endowment funds	**2025 Total**
	£	£	£	**£**
Investments	-	1,017,004	92,993,304	**94,010,308**
Tangible fixed assets	69,091	596,250	-	**665,341**
Current assets	3,035,599	4,033,456	1,061,372	**8,130,427**
Current liabilities	(490,627)	(1,969,805)	-	**(2,460,432)**
Total net assets	2,614,063	3,676,905	94,054,676	**100,345,644**

20 Pensions

The Community Foundation North East 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 North East in independently administered funds. The pension charge represents contributions by the Community Foundation North East to the funds and amounted to £59,329 (2024: £55,969). The amount outstanding in contributions at 31 March 2025 was nil (2024: £974).

21 Subsidiary company and charities

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

Tyne & Wear Foundation Limited - wholly owned subsidiary

Joseph Brough Charitable Trust - sole trustee

Tyne and Wear Foundation Trust - sole trustee

As permitted by section 408 of the Companies Act 2006, and by paragraph 422 of the Statement of Recommended Practice 2005, no separate company Statement of Financial Activities has been presented for the Community Foundation North East within these financial statements. The Company's gross income for the year was £11,730,274 (2024: £9,304,923) and its net income for the year was £510,582 (2024: £6,683,309) after the deduction of losses on investments of £577,780 and bad debt provision of £49,000 (2024: gains £7,318,410 and bad debt provision of £5,000).

The Community Foundation North East 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 North East was nil (2024: nil).

Notes to the financial statements for the year ended 31 March 2025 (continued)

21 Subsidiary company and charities (continued)

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

	Total 2025 £	Total 2024 £
Turnover	-	-
Cost of sales	-	-
Operating profit	-	-
Administrative costs	-	-
Net profit	-	-

The aggregate of the assets and liabilities was:	**Total 2025 £**	Total 2024 £
Assets	**70**	82
Liabilities	-	(12)
Net assets	**70**	70

The Community Foundation North East 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 2025 £	Total 2024 £
Investment income	**67,295**	78,812
Charitable activities	**(48,963)**	(49,457)
Investment management costs	-	(2,811)
Gains/(losses) on investments	**(97,198)**	214,591
Net movement in funds	**(78,866)**	241,135

Notes to the financial statements for the year ended 31 March 2025 (continued)

21 Subsidiary company and charities (continued)

The aggregate of the assets, liabilities and funds was:

	Total 2025 £	Total 2024 £
Assets	**2,353,179**	2,432,045
Liabilities	**(7,000)**	(7,000)
Funds	**2,346,179**	2,425,045

Represented by:	**Total 2025 £**	Total 2024 £
Permanent endowment fund	**2,272,250**	2,369,448
Restricted funds	**73,929**	55,597
Funds	**2,346,179**	2,425,045

The Community Foundation North East 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 2025 £	Total 2024 £
Investment income	**25,458**	28,726
Investment management costs	**-**	(1,790)
Charitable activities	**(21,147)**	(11,472)
Gains/(losses) on investments	**(36,765)**	79,454
Net movement in funds	**(32,454)**	94,918

Notes to the financial statements for the year ended 31 March 2025 (continued)

21 Subsidiary company and charities (continued)

The aggregate of the assets, liabilities and funds was:

	Total 2025	Total 2024
	£	£
Assets	**904,365**	940,644
Liabilities	**-**	(3,555)
Funds	**904,365**	937,089

Represented by:	**Total 2025**	Total 2024
	£	£
Permanent endowment fund	**859,627**	896,392
Restricted funds	**45,008**	40,697
Funds	**904,635**	937,089

22 Related party transactions

In the ordinary course of the Community Foundation North East'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 North East 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 £1,776,773 (2024: £274,452) to Community Foundation North East named endowment and revenue funds, and £570 (2024: £945) was donated by members of the Executive Staff Team. The Community Foundation North East is a member of the Association of Charitable Foundations (ACF), which John Hollingsworth is a trustee of, and paid £4,439 during the financial year for membership.

Notes to the financial statements for the year ended 31 March 2025 (continued)

22 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	2,000
Connected Voice	Stella Simbo	Employee	10,000
Newcastle City Council – Care Leaver Team	Pam Smith	Employee	13,102
New Writing North	Claire Malcolm MBE	Employee	23,000
North East Theatre Trust	Lucy Winskell OBE	Trustee	11,150
Northumbria University	Sarah Glendinning	Employee	3,000
Success4All CIO	Stella Simbo	Volunteer	16,030
Sunderland Theatre Trust	Adam Lopardo	Trustee	2,000
Tyne Rivers Trust	John Hollingsworth	Trustee	32,577

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 North East for administrative services	5,000
Tyne & Wear Foundation Trust	Paid Community Foundation North East for administrative services	5,084
Tyne & Wear Foundation Trust	Paid Community Foundation North East a grant for the Kellett Fund	591

Notes to the financial statements for the year ended 31 March 2025 (continued)

23 Cash flow information for the Group

Reconciliation of net income to net cash flow from operating activities

	2025 £	2024 £
Net income for the year	**399,262**	7,019,362
Adjustments for:		
Receipt of endowment	**(4,441,947)**	(2,082,191)
Depreciation charges	**25,771**	27,272
(Gains)/losses on endowment investments	**711,743**	(7,612,455)
Losses on programme related investments	**49,000**	5,000
Dividends and interest from investments	**(2,325,794)**	(2,312,962)
Increase in debtors	**(1,060,428)**	(608,426)
Increase/(decrease) in creditors	**369,917**	(53,474)
Net cash used in operating activities	**(6,272,476)**	(5,617,874)

Analysis of cash and cash equivalents

	2025 £	2024 £
Cash at bank and in hand	**1,863,546**	3,604,748
Short-term deposits	**4,613,936**	4,560,155
Total cash and cash equivalents	**6,477,482**	8,164,903

24 Ultimate controlling party

The Directors do not consider that the Community Foundation North East (Charity) has an ultimate controlling party because the Community Foundation North East 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 North East (Charity) the group also does not have an ultimate controlling party.

Community Foundation North East

England & Wales - Charity number 700510

Accounts

Community Foundation

serving Tyne & Wear and Northumberland

(A company limited by guarantee)

Annual financial statements for the year ended 31 March 2024

Registered company number 02273708

Registered charity number 700510

Community Foundation

serving Tyne & Wear and Northumberland

(A company limited by guarantee)

Annual financial statements for the year ended 31 March 2024

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Community Foundation
serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2024

Introduction

The Board presents its report and the audited consolidated financial statements for the year ended 31 March 2024.

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.

Annual report for the year ended 31 March 2024 (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
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EC4R 3AB

Cazenove Capital
1 London Wall Place
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Solicitors

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

Annual report for the year ended 31 March 2024 (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.

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.

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.

Annual report for the year ended 31 March 2024 (continued)

Structure, governance and management (continued)

The Board appoints sub-committees and working groups, which are responsible for more detailed oversight of strategy and activities within their area of responsibility. The sub-committees and working groups meeting during the year were:

- Governance, Finance and Audit Committee (G,F&A)
- Investment Committee (Inv)
- Nominations Committee (Nom)
- NorthEast100 development group (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)
Lucy Winskell OBE – Deputy Chair from October 2022 elected December 2016	(G,F&A, NE100, Nom)
Paul Farquhar - Treasurer co-opted March 2018	(G,F&A, Inv)
Jill Baker co-opted June 2019	
Michael Brodie CBE co-opted February 2020	(Nom, Inv)
Sarah Glendinning co-opted October 2022	(NE100)
Andrew Haigh elected December 2016	(Inv)
Colin Hewitt elected October 2021	(G,F&A)
Claire Malcolm MBE co-opted March 2019	(G,F&A)
Patrick Melia appointed December 2016 to represent statutory authorities, resigned October 2023	(Inv)
Pam Smith appointed October 2023 to represent statutory authorities	(NE100)
Laura Warwick appointed November 2018	(Nom)
Stella Simbo elected October 2022	(Nom)
Fiona Standfield co-opted October 2022	(Inv)

At the AGM in autumn 2024, Colin Hewitt, Phil Moorhouse and Laura Warwick come to the end of a three - year term and are eligible for re-election/re-co-option.

Annual report for the year ended 31 March 2024 (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 OBE	Chief Executive Officer
Sonia Waugh	Chief Finance and Operating Officer
John Hollingsworth	Chief Philanthropy Officer
Adam Lopardo	Chief Funding and Partnerships Officer

At the year-end there was a total of 24 staff (full time equivalent 21.8).

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 executive staff must have significant expertise so it must be able to draw from the best talent in a competitive market. Executive 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.

Annual report for the year ended 31 March 2024 (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, 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

2023-24 was the fourth year of the Community Foundation's strategy to 2025.

Annual report for the year ended 31 March 2024 (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

- £2.1m in endowment gifts and £4m in revenue gifts were received.
- 12 new funds were established.
- We launched our North East Roots diaspora initiative with events in London and the North East
- A new NE100 development group comprising trustees and other supporters was established.

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

- 1,253 grants (2023: 1,406) totalling £8.48m (2023: £7.86m) 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 626 organisations and 41 individuals were supported. The table below shows the breakdown by fund type.

Fund type	No of grants	Total awards
Individual and family funds	434	2,570,068
Corporate funds	207	954,868
Charity and trust funds	272	1,786,430
Collective funds	171	341,255
Projects and partnership funds	146	1,892,136
Agency funds (benefiting a named organisation)	23	872,971
Total grants awarded by the full Group	**1,253**	**8,417,728**

- We updated our safeguarding policy and training for all staff members.
- Funding was delivered for partners including Newcastle and Gateshead Councils.
- Grant-making support services were delivered for Ridley Family Charity and the Bernicia Foundation.
- 73 organisations benefited from trustee- and skills-matching, training and pro bono consultancy.

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

- We launched our Vital Signs 2024 research and published findings from five theme areas.
- We completed our 'Mackem Money' participatory grant-making pilot in Sunderland.
- We delivered the Know Your Neighbourhood programme in partnership with DCMS and UKCF.
- We delivered the 'Waiting Well' scheme with the North East and North Cumbria Integrated Care Board.

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

- Transitioned investment service providers and secured agreement for future aggregated reporting against our environmental, social and governance objectives.
- Received significant unrestricted legacy gifts and new legacy notifications.

Annual report for the year ended 31 March 2024 (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

- Received a unique AAA result in the independent Foundation Practice Rating.
- Held staff and board team building events and activities.
- Recruited to all trustee vacancies.
- Improved demographic data capture.
- Commissioned an accessibility review of our grant-making process.

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.

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.

Social investments (previously shown as programme related investments)

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

Annual report for the year ended 31 March 2024 (continued)

Strategic report (continued)

Financial review

Net assets at 31 March 2024 were £103.20m (2023: £96.18m). £95.84m of the assets related to endowment funds (2023: £89.23m). The total unrealised and realised gains on investments amounted to £7.61m (2023: losses £4.48m). There were new donations to the endowment funds during the year of £2.08m (2023: £0.87m), and fees and transfers out of endowment of £3.08m (2023: £3.15m). 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 throughout the year by Cazenove Capital, 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 benchmarks 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 Cazenove. During the year a full review of investment managers was completed and 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 delivered a total return average estimate of 9.7% (net of fees) which is ahead of the target return of 6% plus CPI (9.2%). 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 £9.40m (2023: £5.87m). The main sources of income were new donations and investment income. The main resources expended were for charitable grants of £8.32m net (2023: £7.77m 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 2024 of £2,535,290 includes £1,635,620 set aside for designated funds which are solely for future grant-making, and the balance of £899,670 (the Administrative fund) less fixed assets of £23,786, £875,884 is the general reserve available to meet future administration and development expenditure. The Board reviewed its reserve levels in March 2024 and designated £68,000 of the general reserves to support running costs during the 2024-25 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 £807,884 which is slightly above the range calculated, minimum level of £360,000 and the maximum £770,000. The Board is confident that reserves and the overall assets of the Community Foundation are sufficient to continue as a going concern.

Annual report for the year ended 31 March 2024 (continued)

Strategic report (continued)

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 2024-25 are as follows.

- Donor cultivation – building on the success of our North East Roots initiative and continuing to engage donors in the region
- Corporate engagement – developing a more coherent and comprehensive offer to businesses
- Collective giving – developing and promoting existing funds which help address our goals
- Managing funds and awarding grants using all the tools in our toolkit
- Donor onboarding – better bridging the gap between fund set up and activation
- Knowledge, engagement and influence – publishing and promoting Vital Signs reports, running community conversations and exploring opportunities for partnerships with public bodies
- Potential retro-fitting of office, rationalising staff capacity/responsibilities and better using skills; implementing accessibility review findings; continuous improvement in comms/systems/ICT
- Preparing our next strategy from March 2025

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 to continue to review the risk policy every three years. The risk register is reviewed quarterly by the Governance, Finance and Audit Committee, and any significant changes reported to the Board. Every year, the Board receives a report on risk and approves an updated risk register.

Annual report for the year ended 31 March 2024 (continued)

Strategic report (continued)

Principal risks and uncertainties (continued)

The highest risks identified in the most recent register dated June 2024 were:

- Losing significant asset value
- System breach or failure

The Board reviews controls already in place for mitigating risks and identifies further treatment or monitoring required to manage the identified risks. The first risk noted above is linked to the performance and drawdown from the Community Foundation's endowment funds. The Investment Committee meets regularly with the investment managers to discuss and review performance of the funds, which are invested in line with the Community Foundation's Investment Policy. The Board 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 these under close review. The second risk is in recognition of the general risk of breach or failure of systems but also the overall increased risk faced by all organisations of cyber crime, both in the number and the sophistication of attacks. The Community Foundation regular reviews its protection and other systems and has vulnerability tests carried out to help mitigate this risk. It has achieved Cyber Essentials + accreditation. Systems are backed up regularly.

Statement of trustees' responsibilities

The trustees (who are also directors of Community Foundation serving Tyne & Wear and Northumberland for the purposes of company law) are responsible for preparing the Trustees' Annual Report, the Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

Annual report for the year ended 31 March 2024 (continued)

Strategic report (continued)

Statement of trustees' responsibilities (continued)

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

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

- there is no relevant audit information, being information needed by the 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

18 September 2024

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 2024, 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 2024 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.

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.

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.

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: 20-9-2024

Azets Audit Services is s 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 2024

	Note	Unrestricted funds	Restricted funds	Endowment funds	**Total 2024**	Total 2023
		£	£	£	**£**	£
Income and endowments from:						
Donations and legacies	**3**	1,599,706	3,349,947	2,082,191	**7,031,844**	3,661,792
Charitable activities	**4**	45,991	-	-	**45,991**	42,450
Other trading activities	**5**	8,500	2,593	-	**11,093**	4,500
Investment income	**6**	1,245,829	1,067,133	-	**2,312,962**	2,163,131
Total income and endowments		2,900,026	4,419,673	2,082,191	**9,401,890**	5,871,873
Expenditure on:						
Raising funds	**8**	321,825	-	-	**321,825**	260,266
Investment management costs		-	-	266,515	**266,515**	240,740
Charitable activities	**9**	3,443,038	5,958,605	-	**9,401,643**	8,803,109
Total expenditure		3,764,863	5,958,605	266,515	**9,989,983**	9,304,115
Net gains/(losses) on investments		-	(5,000)	7,612,455	**7,607,455**	(4,482,880)
Net income/loss		(864,837)	(1,543,932)	9,428,131	**7,019,362**	(7,915,122)
Transfers between funds		1,335,022	1,478,654	(2,813,676)	-	-
Net movement in funds		470,185	(65,278)	6,614,455	**7,019,362**	(7,915,122)
Reconciliation of funds:						
Total funds brought forward		2,065,105	4,883,691	89,229,008	**96,177,804**	104,092,926
Total funds carried forward		2,535,290	4,818,413	95,843,463	**103,197,166**	96,177,804

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 2024

	Note	2024	2023
		£	£
Income - continuing operations			
Donations and legacies		**4,949,653**	2,787,303
Charitable activities	**4**	**45,991**	42,450
Other trading activities	**5**	**11,093**	4,500
Investment income	**6**	**2,312,962**	2,163,131
		7,319,699	4,997,384
Expenditure - continuing operations			
Grants	**9**	**8,322,614**	7,770,782
Staff costs	**10**	**1,074,263**	945,199
Other costs		**326,591**	347,394
		9,723,468	9,063,375
Net loss on investments		**(5,000)**	(50,000)
Net loss for the year before transfers and taxation		**(2,408,769)**	(4,115,991)
Transfer from endowment fund		**2,813,676**	2,909,187
Taxation	**16**	**-**	-
Net surplus/ (deficit) for the year		**404,907**	(1,206,804)

The total income of £7,319,699 comprises £2,900,026 for unrestricted funds and £4,419,673 for restricted funds as shown in the statement of financial activities. The total expenditure of £9,723,468 comprises £3,764,863 for unrestricted funds and £5,958,605 for restricted funds as shown in the statement of financial activities.

Community Foundation
serving Tyne & Wear and Northumberland

Balance sheets as at 31 March 2024
Registered company number 02273708

	Note	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Fixed assets					
Endowment fund investments	11	**94,836,862**	88,995,329	**91,571,022**	86,176,939
Social and other investments	11	**939,356**	874,309	**939,456**	874,409
Tangible assets	12	**635,036**	657,885	**635,036**	657,885
Total fixed assets		**96,411,254**	90,527,523	**93,145,514**	87,709,233
Current assets					
Debtors	13	**718,524**	110,098	**695,445**	99,659
Cash on short-term deposit		**4,560,155**	5,569,806	**4,560,155**	5,569,806
Cash at bank and in hand		**3,604,748**	2,121,366	**3,520,908**	1,898,064
Total current assets		**8,883,427**	7,801,270	**8,776,508**	7,567,529
Creditors: amounts falling due within one year	14	**(2,097,515)**	(1,482,439)	**(2,086,960)**	(1,456,459)
Net current assets less current liabilities		**6,785,912**	6,318,831	**6,689,548**	6,111,070
		103,197,166	96,846,354	**99,835,062**	93,820,303
Creditors: amounts falling due after more than one year	15	**-**	(668,550)	**-**	(668,550)
Total assets		**103,197,166**	96,177,804	**99,835,062**	93,151,753
The funds of the charity:					
Endowment funds	17	**95,843,463**	89,229,008	**92,577,623**	86,252,612
Restricted income funds	18	**4,818,413**	4,883,691	**4,722,149**	4,834,036
Unrestricted income funds	19	**2,535,290**	2,065,105	**2,535,290**	2,065,105
Total charity funds		**103,197,166**	96,177,804	**99,835,062**	93,151,753

The financial statements on pages 17 to 50 were approved by the Board on 18 September 2024 and were signed on their behalf by:

Phil Moorhouse
Chair

Paul Farquhar
Treasurer

Consolidated cash flow statement for the year ended 31 March 2024

	Note	2024 £	2023 £
Cash flows from operating activities:			
Net cash used in operating activities	**24**	**(5,617,874)**	(6,811,381)
Cash flows from investing activities:			
Dividends and interest from investments		**2,312,962**	2,163,131
Purchase of fixed assets		**(4,423)**	(5,172)
Proceeds from the sale of investments		**45,035,581**	13,377,873
Purchase of investments		**(43,264,659)**	(11,145,346)
Programme related investments drawn down		**(70,047)**	(67,500)
Net cash provided by investing activities		**4,009,414**	4,322,986
Cash flows from financing activities:			
Receipt of endowment		**2,082,191**	874,489
Net cash provided by financing activities		**2,082,191**	874,489
Change in cash and cash equivalents in the year		**473,731**	(1,613,906)
Cash and cash equivalents at the beginning of the year	**24**	**7,691,172**	9,305,078
Cash and cash equivalents at the end of the year	**24**	**8,164,903**	7,691,172

Notes to the financial statements for the year ended 31 March 2024

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.

Notes to the financial statements for the year ended 31 March 2024 (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 £2,902,300 (2023: £2,869,069) in excess of investment income, was transferred from the main and ethical endowment funds to restricted (£1,466,979) and unrestricted (£1,435,321) 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 nil was withdrawn during the year (2023:£69,915).

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 2024 and the Directors consider the valuations to be reasonable.

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

Notes to the financial statements for the year ended 31 March 2024 (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.

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) Social Investments

Social 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 £ 1,348,542 has been advanced. NESIC use these loans to invest directly into The North East Social Investment Fund (NESIF). The total advanced of £1,614,356 is shown as a social 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 £675,000 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 2024 was £1,385,644. The £3,000,000 funds, less the provision, are listed within restricted funds and at the year end were £2,325,000. 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.

Notes to the financial statements for the year ended 31 March 2024 (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.

Notes to the financial statements for the year ended 31 March 2024 (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.

Notes to the financial statements for the year ended 31 March 2024 (continued)

2 Statement of Financial Activities prior year fund comparatives

	Unrestricted funds	Restricted funds	Endowment funds	**Total 2023**
	£	£	£	**£**
Income and endowments from:				
Donations and legacies	598,174	2,189,129	874,489	**3,661,792**
Charitable activities	42,450	-	-	**42,450**
Other trading activities	4,500	-	-	**4,500**
Investment income	1,135,243	1,027,888	-	**2,163,131**
Total income and endowments	1,780,367	3,217,017	874,489	**5,871,873**
Expenditure on:				
Raising funds	260,266	-	-	**260,266**
Investment management costs	-	-	240,740	**240,740**
Charitable activities	3,707,301	5,095,808	-	**8,803,109**
Total expenditure	3,967,567	5,095,808	240,740	**9,304,115**
Net losses on investments	-	(50,000)	(4,432,880)	**(4,482,880)**
Net loss	(2,187,200)	(1,928,791)	(3,799,131)	**(7,915,122)**
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)**
Reconciliation of funds:				
Total funds brought forward	2,636,818	5,518,782	95,937,326	**104,092,926**
Total funds carried forward	2,065,105	4,883,691	89,229,008	**96,177,804**

Notes to the financial statements for the year ended 31 March 2024 (continued)

3 Donations and legacies

	2024	2023
	£	£
Donations	**5,607,666**	3,651,747
Legacies	**1,424,178**	10,045
	7,031,844	3,661,792

4 Charitable activities

	2024	2023
	£	£
Other charitable activities	**45,991**	42,450

5 Other trading activities

	2024	2023
	£	£
Other trading activities	**11,093**	4,500

6 Investment income

	2024	2023
	£	£
Dividends and interest from endowment fund assets	**2,049,198**	2,040,327
Interest receivable on cash deposits	**263,764**	122,804
	2,312,962	2,163,131

Notes to the financial statements for the year ended 31 March 2024 (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
			2024	2023
	£	£	**£**	£
Support staff costs	33,566	160,889	**194,455**	166,765
Governance staff costs	10,564	50,634	**61,198**	52,009
Overhead costs	59,060	182,904	**241,964**	207,346
Governance direct costs	7,210	25,049	**32,259**	60,215
	110,400	419,476	**529,876**	486,335

Included in overhead costs are the following:	**2024**	2023
	£	£
Auditors' remuneration – audit services	**15,500**	12,500
Depreciation	**27,272**	33,169

8 Costs of raising funds

	2024	2023
	£	£
Staff costs	**195,983**	153,543
Direct costs	**15,442**	14,706
Support costs (Note 7)	**110,400**	92,017
	321,825	260,266

Notes to the financial statements for the year ended 31 March 2024 (continued)

9 Charitable activities

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

	2024	2023
	£	£
Grants payable	**8,322,614**	7,770,782
Staff costs	**622,627**	572,882
Direct costs	**36,926**	65,127
Support costs (Note 7)	**419,476**	394,318
	9,401,643	8,803,109

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

	2024	**2024**	2023	2023
	£	**Number**	£	Number
Other charities and voluntary organisations	**8,369,478**	**1,212**	7,713,884	1,287
Individuals	**48,250**	**41**	143,497	119
Total new grants awarded in the year	**8,417,728**	**1,253**	7,857,381	1,406
Grants cancelled	**(95,114)**		(86,599)	
Total grant expenditure	**8,322,614**		7,770,782	

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

Notes to the financial statements for the year ended 31 March 2024 (continued)

10 Staff costs

Staff costs comprise the following:	**2024**	2023
	£	£
Wages and salaries	**926,102**	812,585
Social security costs	**92,192**	83,189
Other pension costs	**55,969**	49,425
	1,074,263	945,199

The average number of employees, excluding Trustees/Board Directors, employed by the Group during the year was 24 (2023:22.7), full time equivalent 21.8 (2023: 19.99). The ratio of the highest salary to the median salary was 2.34:1 (2023: 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 £287,299 (2023: £235,209) plus £18,475 (2023: £15,373) 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 2023 and 5 April 2024 below:

	5 April 2024	5 April 2023
Mean gender pay gap	**17%**	17%
Median gender pay gap	**12%**	12%

None of the Trustees/Board Directors received any remuneration during the year (2023: Nil). Three of the Directors received reimbursements for expenses during the year of £1,302 in total (2023: £357).

During the year employees with emoluments over £60,000 were in the following bands:	**2024**	2023
	Number	Number
£60,000 to £70,000	**2**	1
£80,000 to £90,000	**-**	1
£90,000 to £100,000	**1**	-

Notes to the financial statements for the year ended 31 March 2024 (continued)

11 Investments

Endowment fund investments - Group

At valuation	Listed investments £	Deposit & other cash balances £	Freehold property £	Total £
At 1 April 2023	85,834,616	2,774,713	386,000	**88,995,329**
Additions/movement in the year	42,560,455	704,204	-	**43,264,659**
Disposals in the year	(45,035,581)	-	-	**(45,035,581)**
Realised losses in the year	(221,975)	-	-	**(221,975)**
Unrealised gains in the year	7,645,430	-	189,000	**7,834,430**
At 31 March 2024	**90,782,945**	**3,478,917**	**575,000**	**94,836,862**
At cost				
At 31 March 2024	**75,207,517**	**3,478,917**	**254,000**	**78,940,434**
At 31 March 2023	72,229,673	2,774,713	254,000	75,258,386

Listed investments are detailed as follows:	2024 Market Value £	2023 Market Value £
UK Fixed Interest	**4,433,557**	5,763,872
UK Equities	**13,534,446**	18,623,924
Property	**1,455,341**	864,102
Overseas Fixed Interest	**2,452,158**	1,836,621
Overseas Equities	**44,656,871**	27,739,140
Collective Investment Schemes	**19,819,033**	23,364,609
Other	**4,431,539**	7,642,348
	90,782,945	85,834,616

Notes to the financial statements for the year ended 31 March 2024 (continued)

11 Investments (continued)

Social Investments – Charity and Group

	Total
	£
Loaned amounts	
At 1 April 2023	1,544,309
Advances during the year	70,047
Repayments	-
At 31 March 2024	**1,614,356**
Provisions	
At 1 April 2023	670,000
Provided against during the year	5,000
Provision released during the year	-
At 31 March 2024	**675,000**
Net loaned amounts	
At 31 March 2024	**939,356**
At 31 March 2023	874,309

Endowment fund investments - Charity

At valuation	**Listed investments £**	**Deposit & other cash balances £**	**Freehold property £**	**Total £**
At 1 April 2023	83,016,226	2,774,713	386,000	**86,176,939**
Additions/movement in the year	39,810,915	704,204	-	**40,515,119**
Disposals in the year	(42,439,446)	-	-	**(42,439,446)**
Realised losses in the year	(226,560)	-	-	**(226,560)**
Unrealised gains in the year	7,355,970	-	189,000	**7,544,970**
At 31 March 2024	**87,517,105**	**3,478,917**	**575,000**	**91,571,022**
At cost				
At 31 March 2024	**72,457,800**	**3,478,917**	**254,000**	**76,190,717**
At 31 March 2023	69,802,740	2,774,713	254,000	72,831,453

Notes to the financial statements for the year ended 31 March 2024 (continued)

11 Investments (continued)

Listed investments are detailed as follows:	**2024 Market Value £**	2023 Market Value £
UK Fixed Interest	**4,433,557**	5,530,257
UK Equities	**13,534,446**	17,878,320
Property	**1,455,341**	799,283
Overseas Fixed Interest	**2,452,158**	1,836,621
Overseas Equities	**44,656,871**	26,387,141
Collective Investment Schemes	**16,553,193**	23,090,333
Other	**4,431,539**	7,494,271
	87,517,105	83,016,226

Other investments – Charity

At cost and valuation	Unlisted investments £
At 1 April 2023	**100**
At 31 March 2024	**100**

Unlisted investments held by the charity relate to a £100 (2023: £100) investment in the subsidiary company Tyne & Wear Foundation Limited at cost. At 31 March 2024 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 £2,325,000 (note 18) (2023: £2,330,000) 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 2024 was £1,385,644 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 £4,196,740 for the full group (2023: £2,729,558). No single investment accounts for more than 5% of the endowment fund investments.

Notes to the financial statements for the year ended 31 March 2024 (continued)

12 Tangible fixed assets

Group and Charity

	Land & Buildings £	Furniture & equipment £	Office improve-ments	Total £
Cost				
At 1 April 2023	750,000	83,581	49,890	883,471
Additions	-	4,423	-	4,423
Disposals	-	(6,960)	-	(6,960)
At 31 March 2024	**750,000**	**81,044**	**49,890**	**880,934**
Accumulated Depreciation				
At 1 April 2023	123,750	73,181	28,655	225,586
Charge for the year	15,000	7,284	4,988	27,272
Disposals	-	(6,960)	-	(6,960)
At 31 March 2024	**138,750**	**73,505**	**33,643**	**245,898**
Net book value				
At 31 March 2024	**611,250**	**7,539**	**16,247**	**635,036**
At 31 March 2023	626,250	10,400	21,235	657,885

13 Debtors

	Group 2024 £	Group 2023 £	**Charity 2024 £**	Charity 2023 £
Other debtors	**651,232**	11,218	**651,244**	11,218
Dividends and interest receivable	**67,292**	98,880	**44,201**	88,441
	718,524	110,098	**695,445**	99,659

Notes to the financial statements for the year ended 31 March 2024 (continued)

14 Creditors: amounts falling due within one year

	Group 2024 £	Group 2023 £	**Charity 2024 £**	Charity 2023 £
Other creditors and accruals	**433,071**	411,264	**433,071**	411,264
Taxation and social security costs	**24,646**	26,105	**24,646**	26,105
Grants payable	**1,639,798**	1,045,070	**1,629,243**	1,019,090
	2,097,515	1,482,439	**2,086,960**	1,456,459

Other creditors include an amount totalling nil (2023: £328,190) 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. This agreement has now been terminated and the balance released to income creating an unrestricted fund.

15 Creditors: amounts falling due after more than one year

	Group 2024 £	Group 2023 £	**Charity 2024 £**	Charity 2023 £
Other creditors and accruals	-	668,550	-	668,550

Other creditors relate to amounts due to outstanding grant commitments to an organisation of transferred from Northern Rock Foundation under deeds of assignment as part of their winding up process. This agreement has now been terminated and the balance released to income creating an unrestricted fund.

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.

	2024 £	2023 £
Corporation tax payable	-	-

Notes to the financial statements for the year ended 31 March 2024 (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 2023	89,229,008	86,252,612
Transfers between funds:		
Total returns endowment withdrawal	(2,902,300)	(2,902,300)
Transfers to endowment from income funds	192,337	192,337
Exceptional withdrawal from endowment funds	(103,713)	(103,713)
Net income before transfers	9,428,131	9,138,687
At 31 March 2024	**95,843,463**	**92,577,623**

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 £2,902,300 (including Community First indexed gain withdrawal) and is shown as a transfer from the endowment fund. A withdrawal of £3,713 was made from the Jeremy Beecham Schools Fund and £100,000 from The Chronicle Sunshine Fund, both of which were used to cover grant-making commitments during the year.

Notes to the financial statements for the year ended 31 March 2024 (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 individuals 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 2024 have received sufficient funds to return them to credit.

	At 1 April 2023 £	Income & transfers £	Grants £	Other outgoings & transfers £	**At 31 March 2024** £
#iwll	(19)	19	-	-	-
Frank Acfield	676	902	1,578	-	-
Abbot Memorial Grants	1,100	-	-	-	1,100
Akzo Nobel International Paint	-	3,868	3,227	-	641
Akzo Nobel International Paint Community First	-	-	-	-	-
Amec Legacy and Futures	8,506	6,750	12,000	-	3,256
Asian	4,272	5,346	9,000	-	618
Stuart Ayre	-	1,720	1,720	-	-
Nancy Barbour Award	3,499	5,134	6,000	-	2,633
Jeremy Beecham Schools	351	5,096	4,900	100	447
Bellingham	1,779	2,415	4,300	-	(106)
Berwick Academy Endowment	4,013	8,300	4,972	-	7,341
Blackett Family Community First	(1)	3,549	3,270	-	278
EDF Energy Blyth Offshore Demonstrator Wind Farm Community Benefit	38,871	75,482	96,862	6,862	10,629
Enid Blyton Fund for Seven Stories	-	44,402	44,402	-	-
Bowey Community First	-	-	-	-	-
Ron & Louise Bowey Grassroots	3,307	11,346	14,089	-	564
Carolyn and Tony Brookes	1,251	3,233	2,000	-	2,484
Burnell Community First	-	-	-	-	-
Lawrence Campbell Community First	5,954	2,589	8,543	-	-
Canford Audio	1,192	493	1,000	-	685
Chapman	14,481	23,037	-	31,871	5,647
Chronicle Sunshine	-	107,184	7,184	-	100,000
Community Accelerator Fund for Northumberland	-	15,000	-	-	15,000
Community Accelerator Fund for Tyneside	-	21,000	-	600	20,400
Community Accelerator Fund for Wearside	-	15,000	-	-	15,000
Community Chest (UKSPF)	-	325,753	325,753	-	-
The Community Infrastructure Levy (CIL)	34,522	181,932	150,385	9,097	56,972
Sir Tom Cowie	92,816	66,803	157,500	-	2,119
Abigail & Stephen Crampton	567	1,689	1,500	-	756
Carried forward	217,137	938,042	860,185	48,530	246,464

Notes to the financial statements for the year ended 31 March 2024 (continued)

18 Income funds - restricted (continued)

	At 1 April 2023	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2024
	£	£	£	£	£
Brought forward	217,137	938,042	860,185	48,530	246,464
CrecheMobile	35,304	4,862	30,000	-	10,166
The Louise Dalton	3,031	2,595	4,000	-	1,626
Duncan & Sarah Davidson	403	5,569	3,700	-	2,272
Pamela and Dorothy Denham	-	2,532	2,539	-	(7)
Pamela Denham Community First	-	-	-	-	-
Pamela Denham Grassroots	-	461	461	-	-
David Dockray's West End Young People's	10,999	41,807	44,600	25	8,181
Dream Jar	547	1,883	2,025	-	405
Andrew and Charlotte Dixon	(98)	1,229	-	-	1,131
The Edwin John Easydorchik Travelling Scholarship	20,304	5,198	12,000	-	13,502
Evangelical	22,148	7,586	10,000	-	19,734
Express Enterprise	554	1,067	-	-	1,621
FARNE	50,937	21,833	-	-	72,770
David & Gitta Faulkner	2,590	1,948	2,500	-	2,038
Fausta and Rosemary Community First	-	-	-	-	-
Fergusons of Blyth	7,887	6,999	14,400	-	486
Fogo Community First	-	-	-	-	-
David Goldman Awards	-	26,912	26,912	-	-
Allison Greenlees Continuation	-	5,558	3,000	2,558	-
The EDF Energy Green Rigg Wind Farm Community Benefit	45,287	40,944	37,086	8,600	40,545
The EDF Energy Renewables Barmoor Windfarm Community Benefit	27,427	171,613	88,330	15,687	95,023
Jackie Haq Fund for Scotswood	1,101	2,108	-	-	3,209
Henderson Family	2,201	1,304	350	-	3,155
Heyman Travelling Scholarships	(1,841)	9,249	-	-	7,408
Joy Higginson Fund for Children North East	6,277	2,186	8,463	-	-
Hokey Cokey Community First	-	-	-	-	-
Hoult Family Community First	-	-	-	-	-
Hoult Family Grassroots	202	2,366	1,903	-	665
The HunterPemberton Community First	3,326	2,049	2,069	-	3,306
JesDesStaff	-	1,861	1,861	-	-
RWE Renewables UK Kiln Pit Hill Wind Farm Community	21,192	25,422	5,228	2,311	39,075
Joyce Trust	-	11,994	8,000	-	3,994
Josephs Family	1,297	1,202	2,500	-	(1)
JPMorgan	7,051	2,207	-	5,000	4,258
Kellett	321,299	342,654	534,159	-	129,794
Kerry Community First Endowment	2,513	1161	3,394	-	280
Kerry Grassroots	2,141	2,958	4,981	-	118
Carried forward	811,216	1,697,359	1,714,646	82,711	711,218

Notes to the financial statements for the year ended 31 March 2024 (continued)

18 Income funds - restricted (continued)

	At 1 April 2023	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2024
	£	£	£	£	£
Brought forward	811,216	1,697,359	1,714,646	82,711	711,218
June King	-	3,601	3,600	-	1
Latterford	2,429	644	-	-	3,073
Lendrum Community First	(483)	24,552	20,996	2,000	1,073
Capt. C.D. Leyland	10,215	3,701	7,078	-	6,838
Linden Community First	-	-	-	-	-
Local Environmental Action	25,804	14,473	36,466	763	3,048
George Loggie	719	1,149	(232)	-	2,100
The Lady Betty and Sir Lawrence Martin	2,007	7,707	4,365	-	5,349
Grigor McClelland Community First	804	-	-	-	804
Moor	-	1,562	1,562	-	-
Nash	-	9,305	10,000	-	(695)
NEF Grassroots	6,589	1,535	5,000	-	3,124
NET Coronavirus Appeal	2	-	-	-	2
Newcastle Culture Investment	27,350	607,620	602,045	22,500	10,425
Newcastle Dispensary Relief in Sickness	925	3,798	4,000	-	723
North East Cultural Learning	(908)	8,052	8,000	-	(856)
North East Endowment for Musical Traditions	13,339	5,985	11,700	-	7,624
North East Fund for the Arts	(592)	5,923	-	-	5,331
The North East Roots	-	117,764	12,000	6,490	99,274
North East Social Investment	2,330,000	-	-	5,000	2,325,000
Northern Angel Fund for Berwick	1,566	23,948	15,500	60	9,954
North Tyneside	(31)	1,711	1,680	-	-
Northumberland Group	66,645	30,780	2,000	-	95,425
Northumberland High Sheriff Awards	44,607	80,894	53,000	41,893	30,608
Northumberland Village Homes Trust	(1,810)	107,911	95,450	8,000	2,651
Northumberland Wildlife Trust	-	1,694	1,694	-	-
Out & About	5,677	4,860	3,724	-	6,813
The Pargiter Trust	-	80,000	62,250	8,000	9,750
Anne & David Parker	1,097	7,961	3,000	-	6,058
Participatory Grant-making Fund - Black, Asian and minoritised ethnic communities	-	100,000	-	-	100,000
Participatory Grant-making Fund - Sunderland	-	118,820	137,747	8,593	(27,520)
Partnership programme	65,341	-	-	65,341	-
Patch	5,102	13,933	14,000	-	5,035
Pea Green Boat Community First	(901)	26,904	25,000	-	1,003
Pen & Palette Club Fund within the North East Fund for the Arts	5,202	4,414	8,060	-	1,556
Percy Family	7,011	8,460	10,590	-	4,881
Philanthropy House	749,893	-	-	-	749,893
Carried forward	4,178,815	3,127,020	2,874,921	251,351	4,179,563

Notes to the financial statements for the year ended 31 March 2024 (continued)

18 Income funds - restricted (continued)

	At 1 April 2023	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2024
	£	£	£	£	£
Brought forward	4,178,815	3,127,020	2,874,921	251,351	4,179,563
Playschemes	23,234	75,707	89,295	2,151	7,495
Platten Family Community First	-	-	-	-	-
Port of Tyne	-	38,000	4,809	3,800	29,391
Prudhoe League of Friends	3,462	3,377	-	-	6,839
Geoffrey and Ann Purves	909	1,824	2,733	-	-
Ivy and Gilbert Purvis	-	473	-	-	473
Ray WindFarm CIC Small Grants Programme	73,319	-	71,211	2,108	-
Ray Wind Farm Small Grants Programme	-	538	-	537	1
Readman Community First	-	-	-	-	-
Readman Family Grassroots	70,648	64,205	28,205	-	106,648
Readman Foundation	37,221	-	-	37,221	-
Carrie Reay Grassroots	(214)	3,607	-	-	3,393
REEDS Community First	-	-	-	-	-
REEDS Grassroots	24,133	27,382	31,194	-	20,321
Riddell Family Community First	(414)	14,044	13,472	-	158
Riding Grange Grassroots	3,134	2,980	5,945	-	169
Ringtons Community First	-	-	-	-	-
Rivrebank	-	13,185	11,300	1,125	760
Jane Robertson Alnwick	7,131	7,545	8,000	-	6,676
Brian Roycroft	8,321	24,525	19,963	36	12,847
RWE Innogy UK Middlemoor Wind Farm Community	1	-	(10,984)	10,985	-
Smail Family	(236)	4,115	3,810	-	69
Sowler Family UK Charitable	2,283	-	2,283	-	-
Spriggs Family Community First	-	-	-	-	-
Shohba & Trikoli Srivastava Community First	317	194	-	-	511
Sunderland Industrial & Reformatory School	1,852	1,304	100	-	3,056
Suz Grassroots	6,537	1,524	6,000	-	2,061
Taylor	3,223	18,457	15,000	-	6,680
The Glasshouse International Centre for Music	-	646,424	646,424	-	-
The South Tyneside Know Your Neighbourhood	16,112	608,267	585,953	22,044	16,382
Third Sector Trends	22,993	22,500	-	1,020	44,473
Thornton Family Grassroots	977	3,677	2,000	-	2,654
Tiny Lives	-	146,355	146,355	-	-
Tyne & Wear High Sheriff Awards	7,556	40,293	43,000	-	4,849
Tyne & Wear High Sheriff Community First	-	-	-	-	-
Tyne & Wear Grassroots	2,458	771	-	2,950	279
Ventient Sisters North Steads Wind Farm Community Benefit	174,605	185,462	142,550	53,448	164,069
Vicky F Grassroots	4,930	1,277	5,000	-	1,207
Carried forward	4,673,307	5,085,032	4,748,539	388,776	4,621,024

Notes to the financial statements for the year ended 31 March 2024 (continued)

18 Income funds - restricted (continued)

	At 1 April 2023	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2024
	£	£	£	£	£
Brought forward	4,673,307	5,085,032	4,748,539	388,776	4,621,024
Virgin Money	823	3,296	-	-	4,119
Vital Gateshead	335	7,092	735	-	6,692
Vital Newcastle	5,019	5,113	5,000	-	5,132
Vital North Tyneside	393	1,597	-	-	1,990
Vital Northumberland	263	17,248	1,500	18	15,993
Vital South Tyneside	6	1,280	-	-	1,287
Vital Sunderland	27,314	6,161	-	31,500	1,975
Waiting Well/Preparing Well	-	78,302	71,592	6,465	244
Ted Weekes	16,745	12,188	17,070	-	11,863
The Wellesley Trust	44,335	267,983	279,290	34,751	(1,723)
The Wellesley Trust Community First	-	-	-	-	-
The 1989 Willan Charitable Trust	9,938	739,369	699,599	40,208	9,500
Mark and Ian Wilson Family	3,350	2,135	2,500	-	2,985
CH Wood	4,777	4,660	5,955	-	3,482
Women's	45,847	32,346	42,200	636	35,357
Women's Community First	-	-	-	-	-
Young Musician's	1,584	6,495	5,850	-	2,229
Total Community Foundation	**4,834,036**	**6,270,297**	**5,879,830**	**502,354**	**4,722,149**
Joseph Brough Charitable Trust	26,242	73,812	44,427	30	55,597
Tyne and Wear Foundation Trust	23,443	23,155	5,855	46	40,697
Tyne & Wear Foundation Limited	(30)	-	-	-	(30)
Total Group	**4,883,691**	**6,367,264**	**5,930,112**	**502,430**	**4,818,413**

Income and transfers include credits of £1,435,965 transferred from the main and ethical endowment funds to distribute as income on a total returns basis and £511,626 of other transfers. Other outgoings include transfers between funds of £468,937, amortisation of Programme Related Investments of £5,000 and other fund expenses of £28,493. The Women's Fund includes income from 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 2024 have received sufficient funds to return them to credit.

Notes to the financial statements for the year ended 31 March 2024 (continued)

19 Income funds - unrestricted (continued)

	At 1 April 2023 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2024 £
Adderstone	536	11,304	11,840	-	-
AJM	2,001	1,122	2,000	-	1,123
Anonymous	4,329	3,039	-	-	7,368
Appletree	1,397	23,184	24,986	-	(405)
Ashington Community Development Trust	11,738	3,522	15,250	-	10
Barley Hill	817	3,628	2,500	-	1,945
Barnes	182	7,052	7,225	-	9
Christopher Beadle	3,626	4,977	8,540	-	63
Charles Robert Bell	14,146	13,912	16,500	-	11,558
John Bell	54,599	61,246	41,700	49,418	24,727
Bellway	3,689	2,806	-	6,495	-
Sara Alexandra Bernstone	(61)	4,821	250	700	3,810
Bonas Machine Company	1,399	1,757	500	-	2,656
Ron and Louise Bowey	28,900	35,659	49,920	-	14,639
Dawn Brown	330	1,355	1,685	-	-
Stephen Byers	3,051	7,674	-	-	10,725
The Muriel Campbell	2,511	1,469	-	-	3,980
Carr-Ellison Charitable Trust	4,090	21,639	24,500	-	1,229
Carroll Savage	414	5,911	6,550	-	(225)
Chrysalis	894	1,801	2,700	-	(5)
Community Investment	-	965,210	173,290	28,599	763,321
Daphne & Martin Cookson	(55)	5,078	250	-	4,773
Roland Cookson Fund for the Charlotte Straker Project	-	66,153	66,153	-	-
Roland Cookson Community	3,574	19,819	23,155	2,116	(1,878)
Coquet	22,571	-	18,360	-	4,211
Cost-of-living	2,612	763	-	-	3,375
Crozier	-	5,038	-	5,038	-
Curtain PARP	16,607	44,777	59,389	-	1,995
John D Endowment	(2,071)	12,578	9,056	-	1,451
Dickon Trust	881	70,022	67,136	5,000	(1,233)
Elgon	444	1,052	-	-	1,496
Fogo	8,242	32,624	39,157	-	1,709
George and Peggy	1,103	5,435	3,000	-	3,538
Adrian and Ingrid Gifford	1,979	1,111	2,800	-	290
The Giving Network	9,479	21,952	21,322	944	9,165
Margaret and Dorothy Gordon Memorial	-	1,197	700	-	497
Groves Family	2,661	5,215	7,650	-	226
Michael and Christine Heppell	2,535	3,094	-	-	5,629
Bill and May Hodgson	(486)	16,029	11,000	4,000	543
The Hokey Cokey (that's what it's all about)	1,250	3,695	1,464	-	3,481
I'Anson Family	6,938	2,630	7,000	-	2,568
If only…	-	1,449	1,449	-	-
Sir James Knott	-	2,065	2,065	-	-
John Laing	4,975	4,921	5,000	-	4,896
William Leech Charity	2,246	21,010	-	6,000	17,256
Carried forward	224,073	1,530,795	736,042	108,310	910,516

Notes to the financial statements for the year ended 31 March 2024 (continued)

19 Income funds - unrestricted (continued)

	At 1 April 2023	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2024
	£	£	£	£	£
Brought forward	224,073	1,530,795	736,042	108,310	910,516
Leech Challenge	-	2,979	-	753	2,226
Brian Lewis	-	82	-	-	82
Linden Family	(3,506)	100,784	96,983	-	295
FB & PFB Lough	(1,429)	97,682	87,013	-	9,240
Grigor McClelland	21,291	13,675	-	-	34,966
Daisy Marr	8,185	27,794	33,899	-	2,080
Maudslay Family	2,307	2,250	2,700	-	1,857
G S May Family	4,475	6,500	7,500	1,500	1,975
McIntosh	-	1,554	-	-	1,554
Milburn Briel	8,397	16,170	16,432	-	8,135
Muckle LLP	12,331	49,478	38,060	4,609	19,140
Naylors Gavin Black	1,373	3,442	2,072	-	2,743
Newcastle Building Society Community	(65,255)	287,846	83,322	111,080	28,189
Emma Newton	2,084	4,787	1,689	-	5,182
North East Brewers	-	5,975	-	5,000	975
Northern Gas Networks Community Partnering	13,754	57,500	63,754	7,500	-
Northern Powergrid	(431)	15,412	-	1,000	13,981
Northumbrian Water	1,692	5,974	(360)	-	8,026
Opencast Charitable	1	66,406	58,764	7,640	3
Pattinson Estate Agents	5,585	9,326	13,000	300	1,611
Platten Family	438,031	158,119	337,565	58,997	199,588
PricewaterhouseCoopers	2,286	1,775	1,500	-	2,561
Prime	(8,077)	162,291	155,960	-	(1,746)
Proudfoot Family	2,305	1,387	1,520	-	2,172
P&G	(199)	53,725	53,948	-	(422)
Guy Readman endowment	343,618	159,303	346,947	50,000	105,974
Matthew Ridley	2,067	1,157	-	-	3,224
Ringtons	348	55,365	55,612	100	1
Rolls-Royce	2,952	2,469	5,700	-	(279)
St Cuthbert's	(205)	1,998	1,793	-	-
John & Barbara Sadler & Jeanette Henderson	1,852	5,560	5,100	-	2,312
Johnnie & Tricia Smith and Family	401	4,182	4,500	-	83
Barry & Faga Speker	983	1,179	1,500	-	662
Spriggs Family	-	1,192	1,000	-	192
Squires Foundation	(66)	71,977	66,200	7,739	(2,028)
Shobha and Triloki Srivastava Grassroots	310	2,653	1,500	-	1,463
Star	2,069	9,370	6,000	1,000	4,439
The Temple	1	-	-	-	1
Tess	5,395	2,939	-	-	8,334
Brian & Margaret Thompson	-	1,492	1,492	-	-
Treeline	1,566	3,257	3,500	-	1,323
Vaux	361	7,938	-	8,081	218
Ward Hadaway	2,240	11,247	11,400	600	1,487
Watkin Family	12,271	27,188	33,162	-	6,297
Carried forward	1,045,436	3,054,174	2,336,769	374,209	1,388,632

Notes to the financial statements for the year ended 31 March 2024 (continued)

19 Income funds - unrestricted (continued)

	At 1 April 2023 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2024 £
Brought forward	1,045,436	3,054,174	2,336,769	374,209	1,388,632
Weightman	62	3,770	2,000	300	1,532
Welch Family	-	1,322	1,000	-	322
Wide Open Road	949	9,904	10,809	-	44
Willis Charitable	540	10,266	4,500	-	6,306
The Lucy Winskell	-	1,097	1,097	-	-
Winter Family	(255)	15,242	14,987	-	-
Robert Wood Trust	1,458	4,299	-	-	5,757
Other general grant-making funds	243,645	207,198	21,340	196,476	233,027
Total designated funds	1,291,835	3,307,272	2,392,502	570,985	1,635,620
Administrative fund	773,270	1,497,814	-	1,371,414	899,670
Total Community Foundation	2,065,105	4,805,086	2,392,502	1,942,399	2,535,290
Total Group	2,065,105	4,805,086	2,392,502	1,942,399	2,535,290

Income and transfers include £1,466,335 transferred from the main and ethical endowment funds to distribute as income on a total returns basis and £438,725 of other transfers. Other outgoings and transfers consist of £570,038 transferred between funds, £1,074,263 staff costs, £8,433 designated fund expenses and other net administrative costs of £289,665.

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, Esmee Slattery, 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 5 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 £	2024 Total £
Investments	-	939,356	94,836,862	**95,776,218**
Tangible fixed assets	23,786	611,250	-	**635,036**
Current assets	3,152,831	4,723,995	1,006,601	**8,883,427**
Current liabilities	(641,327)	(1,456,188)	-	**(2,097,515)**
Total net assets	2,535,290	4,818,413	95,843,463	**103,197,166**

Notes to the financial statements for the year ended 31 March 2024 (continued)

20 Analysis of net assets between funds (continued)

Charity

	Unrestricted funds	Restricted funds	Endowment funds	**2024 Total**
	£	£	£	**£**
Investments	-	939,456	91,571,022	**92,510,478**
Tangible fixed assets	23,786	611,250	-	**635,036**
Current assets	3,152,831	4,617,076	1,006,601	**8,776,508**
Current liabilities	(641,327)	(1,445,633)	-	**(2,086,960)**
Total net assets	2,535,290	4,722,149	92,577,623	**99,835,062**

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 £55,969 (2023: £49,425). The amount outstanding in contributions at 31 March 2024 was £974 (2023: 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 £9,304,923 (2023: £5,807,197) and its net income for the year was £6,683,309 (2023: expenditure £7,674,196) after the addition of gains on investments of £7,318,410 less bad debt provision of £5,000 (2023: losses £4,242,514 and bad debt provision of £50,000).

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 (2023: nil).

Notes to the financial statements for the year ended 31 March 2024 (continued)

22 Subsidiary company and charities (continued)

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

	Total 2024	Total 2023
	£	£
Turnover	**-**	-
Cost of sales	**-**	-
Operating profit	**-**	-
Administrative costs	**-**	-
Net profit	**-**	-

The aggregate of the assets and liabilities was:	**Total 2024**	Total 2023
	£	£
Assets	**82**	70
Liabilities	**(12)**	-
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 2024	Total 2023
	£	£
Investment income	**78,812**	50,176
Charitable activities	**(49,457)**	(87,160)
Investment management costs	**(2,811)**	(7,719)
Gains/(losses) on investments	**214,591**	(130,090)
Net movement in funds	**241,135**	(174,793)

Notes to the financial statements for the year ended 31 March 2024 (continued)

22 Subsidiary company and charities (continued)

The aggregate of the assets, liabilities and funds was:

	Total 2024	Total 2023
	£	£
Assets	**2,432,045**	2,208,890
Liabilities	**(7,000)**	(24,980)
Funds	**2,425,045**	2,183,910

Represented by:	**Total 2024**	Total 2023
	£	£
Permanent endowment fund	**2,369,448**	2,157,668
Restricted funds	**55,597**	26,242
Funds	**2,425,045**	2,183,910

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 2024	Total 2023
	£	£
Investment income	**28,726**	23,545
Investment management costs	**(1,790)**	(5,567)
Charitable activities	**(11,472)**	(23,835)
Gains/(losses) on investments	**79,454**	(60,276)
Net movement in funds	**94,918**	(66,133)

Notes to the financial statements for the year ended 31 March 2024 (continued)

22 Subsidiary company and charities (continued)

The aggregate of the assets, liabilities and funds was:

	Total 2024	Total 2023
	£	£
Assets	**940,644**	843,171
Liabilities	**(3,555)**	(1,000)
Funds	**937,089**	842,171

Represented by:	**Total 2024**	Total 2023
	£	£
Permanent endowment fund	**896,392**	818,728
Restricted funds	**40,697**	23,443
Funds	**937,089**	842,171

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 £274,452 (2023: £165,224) to Community Foundation named endowment and revenue funds, and £945 (2023: £1,142) was donated by members of the Executive Staff Team.

Notes to the financial statements for the year ended 31 March 2024 (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	1,000
International Centre for Life	Lucy Winskell OBE	Trustee	11,996
Newcastle City Council – Care Leaver Team	Pam Smith	Employee	22,153
Newcastle upon Tyne Hospitals NHS Charity	Jill Baker	Chair (to June 2024)	1,000
New Writing North	Claire Malcolm MBE	Employee	20,000
North East Theatre Trust	Lucy Winskell OBE	Trustee	13,947
Success4All CIO	Stella Simbo	Employee	17,216
VONNE	Colin Hewitt	Trustee	16,855

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	4,478
Tyne & Wear Foundation Trust	Paid Community Foundation a grant for the Kellett Fund	1,093

Notes to the financial statements for the year ended 31 March 2024 (continued)

24 Cash flow information for the Group

Reconciliation of net income to net cash flow from operating activities

	2024 £	2023 £
Net income/(expenditure)for the year	**7,019,362**	(7,915,122)
Adjustments for:		
Receipt of endowment	**(2,082,191)**	(874,489)
Depreciation charges	**27,272**	33,169
(Gains)/losses on endowment investments	**(7,612,455)**	4,432,880
Decrease in assets held for resale	**-**	14,000
Loss on disposal of fixed assets	**-**	-
Losses on programme related investments	**5,000**	50,000
Dividends and interest from investments	**(2,312,962)**	(2,163,131)
(Increase)/decrease in debtors	**(608,426)**	12,095
Decrease in creditors	**(53,474)**	(400,783)
Net cash used in operating activities	**(5,617,874)**	(6,811,381)

Analysis of cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	**3,604,748**	2,121,366
Short-term deposits	**4,560,155**	5,569,806
Total cash and cash equivalents	**8,164,903**	7,691,172

25 Ultimate controlling party

The Directors do not consider that the Community Foundation (Charity) has an ultimate controlling party because the Community Foundation has a large and wide-ranging membership who elect the Board and would be required to agree any changes to the Memorandum and Articles. Due to the structure of the Community Foundation (Charity) the group also does not have an ultimate controlling party.

Community Foundation North East

England & Wales - Charity number 700510

Accounts

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

serving Tyne & Wear and Northumberland

(A company limited by guarantee)

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.

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

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

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

Investec Wealth & Investment Limited
2 Gresham Street
London
EC2V 7QP

CCLA Investment Management Limited
One Angel Lane
London
EC4R 3AB

Solicitors

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

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.

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.

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.

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.

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

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

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.

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

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;

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.

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 11and 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.

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.

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

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 s 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).

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

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.

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.

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.

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.

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.

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**

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

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

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.

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

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

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

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

11 Investments (continued)

Listed investments are detailed as follows:	**2023 Market Value £**	2022 Market Value £
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.

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

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

14 Creditors: amounts falling due within one year

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 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 2023 £	Group 2022 £	Charity 2023 £	Charity 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	-	-

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.

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 £
#iwil	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	-	-
Akzo Nobel International Paint 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

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

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

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	-	-
Small 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

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	5,161	2,189	4,000	-	3,350
Wood	6,585	6,921	5,000	-	8,506
CH Wood	-	4,777	-	-	4,777
Women's	13,308	32,539	-	-	45,847
Women's Community First	-	-	-	-	-
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

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	3,104	20,334	18,112	1,751	3,574
Coquet	3,671	30,000	7,500	3,600	22,571
Coronavirus Response and Recovery	6,955	-	6,955	-	-
Cost-of-living	-	390,908	385,801	2,495	2,612
Crozier	-	5,166	-	5,166	-
Curtain PARP	27,510	46,139	56,932	110	16,607
John D Endowment	(1,742)	12,910	13,239	-	(2,071)
Dickon Trust	(1,550)	71,803	69,372	-	881
Elgon	4,367	1,077	5,000	-	444
Fogo	39,596	34,184	60,538	5,000	8,242
George and Peggy	2,688	5,485	7,070	-	1,103
Adrian and Ingrid Gifford	885	1,094	-	-	1,979
The Giving Network	9,390	21,562	20,514	959	9,479
Margaret and Dorothy 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

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

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**

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).

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

The aggregate of the assets and liabilities was:	**Total 2023**	Total 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 2023	Total 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

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

Represented by:	Total 2023 £	Total 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 2023 £	Total 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)

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

Represented by:	**Total 2023**	Total 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.

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

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.

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.

Community Foundation North East

England & Wales - Charity number 700510

Accounts

Community Foundation

serving Tyne & Wear and Northumberland

(A company limited by guarantee)

Annual financial statements for the year ended 31 March 2022

Registered company number 02273708

Registered charity number 700510

Community Foundation

serving Tyne & Wear and Northumberland

(A company limited by guarantee)

Annual financial statements for the year ended 31 March 2022

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Community Foundation
serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2022

Introduction

The Board present their report and the audited consolidated financial statements for the year ended 31 March 2022.

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 some funding programmes on contracts from UK Community Foundations but is not otherwise subject to any governance arrangements with UK Community Foundations.

Annual report for the year ended 31 March 2022 (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

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

Investec Wealth & Investment Limited
2 Gresham Street
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EC2V 7QP

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

Solicitors

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

Annual report for the year ended 31 March 2022 (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 an induction session with the executive team and meets the Chair. The Governance, Finance and Audit Committee reviews training needs of the Board members and arranges training as required. The involvement of Board members is reviewed by the Officers of the Board annually to ensure that skills and time provided by members are used to best effect. Additionally, Board skills are kept under review to inform Board member recruitment, engagement and support. Board members also volunteer their services to assist in Community Foundation activities, such as grant panels, donor development and public speaking 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.

Annual report for the year ended 31 March 2022 (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)

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

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

Annual report for the year ended 31 March 2022 (continued)

Structure, governance and management (continued)
Geoff Hodgson and Anna Blackett will retire at the 2022 Annual General Meeting. Robin Fry and Claire Malcolm reach the end of their first three-year term and are eligible for re-election. Jill Baker also reaches the end of her first three-year term and is eligible for re-co-option. In June 2022, the Board agreed a succession plan for trustees to allow for staggering of retirements. Lucy Winskell OBE has been appointed to succeed Geoff Hodgson as Deputy Chair and will be eligible for re-election for a third three-year term. Patrick Melia will be eligible for re-election and will be asked to serve two further years. Andrew Haigh will be eligible for re-election and will be asked to serve one further year. The Board has also run an open recruitment process to appoint two new co-opted trustees who will be appointed in September 2022 to join the Board from the 2022 Annual General Meeting.

The Board also appoints a President, Vice Presidents and Patrons in recognition of their distinguished service to the community or contributions to the Community Foundation. These are honorary positions with no formal powers or duties. The Board reviewed appointments in 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
Adam Lopardo	Director of Community Relations

The Chief Philanthropy Officer is also a member of the executive team but this post was vacant at the year end. The role will be filled later in 2022. At the year-end there was a total of 23 staff (full time equivalent 20.09).

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. In 2022, the Board commissioned an independent benchmarking report on staff salaries and benefits which informed its remuneration decisions.

Annual report for the year ended 31 March 2022 (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

2021-22 was the second year of the Community Foundation's strategy to 2025. During the year, we continued to respond to the impact of the Covid-19 pandemic, spending the remaining funds raised through our own Coronavirus Response and Recovery Fund and via the National Emergencies Trust. We also focused on ways donors could address poverty, furthered our work on diversity, equity and inclusion and developed our new approach to responsible investment.

Annual report for the year ended 31 March 2022 (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

- £1.3m in endowment gifts and £3.2m in revenue gifts were received.
- 4 new funds were established.
- 5 new legacy notifications were received.
- Two webinars held for fund-holders on issues linked to our strategy and Dr Beth Breeze spoke at our AGM on philanthropy.

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

- 1,376 grants (2021: 1,331) totalling £8.57m (2021: £7.22m) 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 623 organisations and 113 individuals were supported. The table below shows the breakdown by fund type.

Fund type	No of grants	Total awards
Individual and family funds	469	2,202,918
Corporate funds	302	1,254,098
Charity and trust funds	315	1,809,358
Collective funds	196	1,188,040
Projects and partnership funds	70	1,188,612
Agency funds (benefiting a named organisation)	24	930,984
Total grants awarded by the full Group	**1,376**	**8,574,010**

- 8 'Time to Talk' sessions for grantees were held and 9 funding events attended.
- Funding was delivered for partners including Newcastle and Gateshead Councils.
- Grant-making support services were delivered for Ridley Family Charity and the Bernicia Foundation.
- 8 trustee matches made through our brokerage scheme.

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

- Approved participatory grant-making pilots in place (Sunderland) and with Black, Asian and minority ethnic communities.
- Published a *Good to Give* guide encouraging support for organisations tackling poverty.
- Undertook research on ways to improve support for organisations serving and led by diverse communities.
- Sat on technical panel of Pro Bono Economics' Law Commission on Civil Society

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

- Endowment value increased from £93.4m to £95.9m
- Adopted a new responsible investment policy following consultation with stakeholders
- Completed transfer of Bill & May Hodgson Trust

Annual report for the year ended 31 March 2022 (continued)

Strategic report (continued)

Achievements and performance (continued)

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

- Successfully recruited new chair through open process
- 90% of core costs covered by endowment and revenue fund contributions
- Maintained continuing excellence in the Better Health at Work scheme.
- Passed national quality accreditation through UK Community Foundations
- Set and published diversity data on our Board and staff
- Completed and implemented findings from staff salary and benefits benchmarking

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

Annual report for the year ended 31 March 2022 (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 2021 were £104.09m (2021: £102.05m). £95.94m of the assets related to endowment funds (2021: £93.41m). The total unrealised and realised gains on investments amounted to £5.67m (2021: £16.54m). There were new donations to the endowment funds during the year of £1.32m (2021: £3.78m), and fees and transfers out of endowment of £4.60m (2021: £2.98m). 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 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.

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 8.14% compared to the benchmark of 7.00%. 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 £6.37m (2021: £10.46m). The main sources of income were new donations and investment income. The main resources expended were for charitable grants of £8.54m net (2021: £7.14m net).

At the end of the year, the Board adopted a new investment policy which sets out responsible as well as financial goals. Appointment of managers, and their mandates, will be reviewed during 2022-23 in line with the new policy.

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 2022 of £2,636,818 includes £1,802,424 set aside for designated funds which are solely for future grant-making, and the balance of £834,394 less fixed assets of £44,632, £789,762 is the general reserve available to meet future administration and development expenditure.

Annual report for the year ended 31 March 2022 (continued)

Strategic report (continued)

Financial review – reserves (continued)

The Board reviewed its reserve levels in March 2022 and designated £305,000 of the general reserves to support running costs as part of a two year budget plan. 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 £484,762 which was within the range calculated, minimum level of £380,000 and the maximum £730,000. 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	£105m
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 2022-23 are as follows.

- Recruiting and retaining staff and trustees and increasing diversity in line with benchmarks.
- Populating the major gift pipeline and improving marketing.
- Advancing work on donor engagement and experience with a view to increasing distribution rates.
- Understanding grantee perceptions and improving data capture on organisations we support.
- Completing pilot participatory grant-making schemes and implement any lessons.
- Understanding barriers to accessibility of our services and communications and making improvements.
- Adding a climate change priority alongside poverty, inequality and inclusion.
- Continuing to lobby for a new endowment match scheme.
- Implementing our responsible investment strategy and reviewing cash holdings.
- Maximising stakeholder engagement in, and the impact of, our research.
- Considering how to respond effectively to the cost-of-living crisis.

Annual report for the year ended 31 March 2022 (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 2019 the Board reviewed its risk policy for determining, managing and reviewing the risks to which the Community Foundation is exposed. The Board will continue to review the risk policy every three years. The risk register is reviewed quarterly, and any significant changes reported to the Board. Every year, the Board receives a report on risk and approves an updated risk register. The main risks identified in the most recent register dated May 2022 were:

- Losing significant asset value/Failure to achieve 6% return
- System breach or failure

The Board reviews controls already in place for mitigating risks and identifies further treatment or monitoring required to manage the identified risks. The first risk noted above is linked to the performance and drawdown from the Community Foundation's endowment funds. The Investment Committee meets regularly with the investment managers to discuss and review performance of the funds, which are invested in line with the Community Foundation's Investment Policy. The Board reviews its Investment Policy on a regular basis including the ranges of asset allocation and benchmarking. The Board agreed to maintain 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. The second main risk relates to potential issues with the organisation's website. Work is underway to rectify this and will be completed mid 2022-23.

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;

Annual report for the year ended 31 March 2022 (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
Azets Audit Services Limited, trading as Azets Audit Services, were appointed auditor to the company following the acquisition of the trade of Tait Walker LLP, trading as MHA Tait Walker, on 1 May 2022.

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

21 September 2022

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 2022, 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 2022 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.

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

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.

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: 21/9/2022

Azets Audit Services is s 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 2022

	Note	Unrestricted funds	Restricted funds	Endowment funds	**Total 2022**	Total 2021
		£	£	£	**£**	£
Income and endowments from:						
Donations and legacies	**3**	633,889	2,538,910	1,317,427	**4,490,226**	8,479,425
Charitable activities	**4**	39,325	-	-	**39,325**	54,458
Other trading activities	**5**	-	-	-	**-**	2,000
Investment income	**6**	1,009,695	831,458	-	**1,841,153**	1,926,609
Total income and endowments		1,682,909	3,370,368	1,317,427	**6,370,704**	10,462,492
Expenditure on:						
Raising funds	**8**	221,985	-	-	**221,985**	218,100
Investment management costs		-	-	266,392	**266,392**	236,905
Charitable activities	**9**	4,037,221	5,477,172	-	**9,514,393**	8,041,492
Total expenditure		4,259,206	5,477,172	266,392	**10,002,770**	8,496,497
Net (losses)/gains on investments		-	(142,000)	5,813,762	**5,671,762**	16,541,116
Net (loss)/income		(2,576,297)	(2,248,804)	6,864,797	**2,039,696**	18,507,111
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**	18,507,111
Reconciliation of funds:						
Total funds brought forward		3,164,212	5,482,323	93,406,695	**102,053,230**	83,546,119
Total funds carried forward		2,636,818	5,518,782	95,937,326	**104,092,926**	102,053,230

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 2022

	Note	2022	2021
		£	£
Income - continuing operations			
Donations and legacies		**3,172,799**	4,703,282
Charitable activities		**39,325**	54,458
Other trading activities		**-**	2,000
Investment income	**6**	**1,841,153**	1,926,609
		5,053,277	6,686,349
Expenditure - continuing operations			
Grants	**9**	**8,535,156**	7,144,993
Staff costs	**10**	**900,062**	875,602
Other costs		**301,160**	238,997
		9,736,378	8,259,592
Net loss on investments		**(142,000)**	(167,294)
Net loss for the year before transfers and taxation		**(4,825,101)**	(1,740,537)
Transfer from endowment fund		**4,334,166**	2,745,332
Taxation	**16**	**-**	-
Net (deficit)/surplus for the year		**(490,935)**	1,004,795

The total income of £5,053,277 comprises £1,682,909 for unrestricted funds and £3,370,368 for restricted funds as shown in the statement of financial activities. The total expenditure of £9,736,378 comprises £4,259,206 for unrestricted funds and £5,477,172 for restricted funds as shown in the statement of financial activities.

Community Foundation
serving Tyne & Wear and Northumberland

Balance sheets as at 31 March 2022
Registered company number 02273708

	Note	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Fixed assets					
Endowment fund investments	11	**95,660,736**	90,411,682	**92,635,526**	87,436,491
Programme related and other investments	11	**856,809**	797,914	**856,909**	798,014
Tangible assets	12	**685,882**	699,816	**685,882**	699,816
Total fixed assets		**97,203,427**	91,909,412	**94,178,317**	88,934,321
Current assets					
Debtors	13	**122,193**	2,946,862	**118,594**	2,941,792
Assets held for resale		**14,000**	-	**14,000**	-
Cash on short-term deposit		**5,543,905**	5,537,380	**5,543,905**	5,537,380
Cash at bank and in hand		**3,761,173**	3,516,638	**3,518,465**	3,344,621
Total current assets		**9,441,271**	12,000,880	**9,194,964**	11,823,793
Creditors: amounts falling due within one year	14	**(1,814,962)**	(987,712)	**(1,810,522)**	(987,712)
Net current assets less current liabilities		**7,626,309**	11,013,168	**7,384,442**	10,836,081
		104,829,736	102,922,580	**101,562,759**	99,770,402
Creditors: amounts falling due after more than one year	15	**(736,810)**	(869,350)	**(736,810)**	(869,350)
Total assets		**104,092,926**	102,053,230	**100,825,949**	98,901,052
The funds of the charity:					
Endowment funds	17	**95,937,326**	93,406,695	**92,757,278**	90,361,180
Restricted income funds	18	**5,518,782**	5,482,323	**5,431,853**	5,375,660
Unrestricted income funds	19	**2,636,818**	3,164,212	**2,636,818**	3,164,212
Total charity funds		**104,092,926**	102,053,230	**100,825,949**	98,901,052

The financial statements on pages 17 to 50 were approved by the Board on 21 September 2022 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 2022

	Note	2022 £	2021 £
Cash flows from operating activities:			
Net cash used in operating activities	**24**	(3,251,559)	(6,988,423)
Cash flows from investing activities:			
Dividends and interest from investments		1,841,153	1,926,609
Purchase of fixed assets		(19,774)	(4,576)
Proceeds from the sale of investments		15,667,653	14,768,526
Purchase of investments		(15,102,945)	(12,765,385)
Programme related investments drawn down		(200,895)	(119,942)
Net cash provided by investing activities		2,185,192	3,805,232
Cash flows from financing activities:			
Receipt of endowment		1,317,427	3,776,143
Net cash provided by financing activities		1,317,427	3,776,143
Change in cash and cash equivalents in the year		251,060	592,952
Cash and cash equivalents at the beginning of the year	**24**	9,054,018	8,461,066
Cash and cash equivalents at the end of the year	**24**	9,305,078	9,054,018

Notes to the financial statements for the year ended 31 March 2022

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.

Notes to the financial statements for the year ended 31 March 2022 (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 £3,435,265 (2021: £2,712,850) in excess of investment income, was transferred from the main and ethical endowment funds to restricted £1,498,160 and unrestricted £1,937,105 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 £915,233 (2021: nil) 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 2022 and the Directors consider the valuations to be reasonable.

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

Notes to the financial statements for the year ended 31 March 2022 (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 £1,210,995 has been advanced. NESIC use these loans to invest directly into The North East Social Investment Fund (NESIF). The total advanced of £1,476,809 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 £620,000 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 2022 was £1,523,191. The £3,000,000 funds, less the provision, are listed within restricted funds and at the year end were £2,380,000. 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.

Notes to the financial statements for the year ended 31 March 2022 (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.

Notes to the financial statements for the year ended 31 March 2022 (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.

Notes to the financial statements for the year ended 31 March 2022 (continued)

2 Statement of Financial Activities prior year fund comparatives

	Unrestricted funds	Restricted funds	Endowment funds	**Total 2021**
	£	£	£	**£**
Income and endowments from:				
Donations and legacies	1,127,564	3,575,718	3,776,143	**8,479,425**
Charitable activities	54,458	-	-	**54,458**
Other trading activities	2,000	-	-	**2,000**
Investment income	909,579	1,017,030	-	**1,926,609**
Total income and endowments	2,093,601	4,592,748	3,776,143	**10,462,492**
Expenditure on:				
Raising funds	218,100	-	-	**218,100**
Investment management costs	-	-	236,905	**236,905**
Charitable activities	2,537,595	5,503,897	-	**8,041,492**
Total expenditure	2,755,695	5,503,897	236,905	**8,496,497**
Net (losses)/gains on investments	-	(167,294)	16,708,410	**16,541,116**
Net (loss)/income	(662,094)	(1,078,443)	20,247,648	**18,507,111**
Transfers between funds	1,556,188	1,189,144	(2,745,332)	-
Net movement in funds	894,094	110,701	17,502,316	**18,507,111**
Reconciliation of funds:				
Total funds brought forward	2,270,118	5,371,622	75,904,379	**83,546,119**
Total funds carried forward	3,164,212	5,482,323	93,406,695	**102,053,230**

Notes to the financial statements for the year ended 31 March 2022 (continued)

3 Donations and legacies

	2022	2021
	£	£
Donations	**4,488,860**	5,608,808
Legacies	**1,366**	2,870,617
	4,490,226	8,479,425

4 Charitable activities

	2022	2021
	£	£
Other charitable activities	**39,325**	54,458

5 Other trading activities

	2022	2021
	£	£
Other trading activities	**-**	2,000

6 Investment income

	2022	2021
	£	£
Dividends and interest from endowment fund assets	**1,825,343**	1,901,769
Interest receivable on cash deposits	**15,810**	24,840
	1,841,153	1,926,609

Notes to the financial statements for the year ended 31 March 2022 (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
			2022	2021
	£	£	**£**	£
Support staff costs	25,178	148,861	**174,039**	183,086
Governance staff costs	7,723	45,662	**53,385**	55,495
Overhead costs	41,484	187,064	**228,548**	165,183
Governance direct costs	4,836	21,806	**26,642**	22,283
	79,221	403,393	**482,614**	426,047

Included in overhead costs are the following:	**2022**	2021
	£	£
Auditors' remuneration – audit services	**7,650**	7,650
Depreciation	**33,402**	32,555
Loss on disposal of fixed assets	**306**	-

8 Costs of raising funds

	2022	2021
	£	£
Staff costs	**130,472**	131,973
Direct costs	**12,292**	12,639
Support costs (Note 7)	**79,221**	73,488
	221,985	218,100

Notes to the financial statements for the year ended 31 March 2022 (continued)

9 Charitable activities

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

	2022	2021
	£	£
Grants payable	**8,535,156**	7,144,993
Staff costs	**542,166**	505,048
Direct costs	**33,678**	38,892
Support costs (Note 7)	**403,393**	352,559
	9,514,393	8,041,492

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

	2022	**2022**	2021	2021
	£	**Number**	£	Number
Other charities and voluntary organisations	**8,466,087**	**1,257**	7,126,415	1,251
Individuals	**107,923**	**119**	90,568	80
Total new grants awarded in the year	**8,574,010**	**1,376**	7,216,983	1,331
Grants cancelled	**(38,854)**		(71,990)	
Total grant expenditure	**8,535,156**		7,144,993	1,331

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

Notes to the financial statements for the year ended 31 March 2022 (continued)

10 Staff costs

Staff costs comprise the following:	**2022**	2021
	£	£
Wages and salaries	**778,171**	**757,323**
Social security costs	**74,163**	**72,760**
Other pension costs	**47,728**	**45,519**
	900,062	**875,602**

The average number of employees, excluding Trustees/Board Directors, employed by the Group during the year was 24 (2021: 24), full time equivalent 20.68 (2021: 19.57). The ratio of the highest salary to the median salary was 2.37:1 (2021: 2.4:1). The gross salary in the year relating to the executive members of staff responsible for the day-to-day management of the Charity was £248,204 (2021: £283,623) plus £16,110 (2021: £18,025) 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 2021 and 5 April 2022 below:

	5 April 2022	5 April 2021
Mean gender pay gap	**14%**	**12%**
Median gender pay gap	**12%**	**11%**

None of the Trustees/Board Directors received any remuneration during the year (2021: Nil). None of the Directors received reimbursements for expenses during the year (2021: Nil).

During the year employees with emoluments over £60,000 were in the following bands:	**2022**	2021
	Number	Number
£60,000 to £70,000	**1**	1
£80,000 to £90,000	**-**	1
£90,000 to £100,000	**1**	-

Notes to the financial statements for the year ended 31 March 2022 (continued)

11 Investments

Endowment fund investments - Group

At valuation	Listed investments £	Deposit & other cash balances £	Freehold property £	Total £
At 1 April 2021	88,783,831	1,251,351	376,500	90,411,682
Additions/movement in the year	14,095,829	1,021,116	(14,000)	15,102,945
Disposals in the year	(15,667,653)	-	-	(15,667,653)
Realised losses in the year	(86,012)	-	-	(86,012)
Unrealised gains in the year	5,897,274	-	2,500	5,899,774
At 31 March 2022	**93,023,269**	**2,272,467**	**365,000**	**95,660,736**
At cost				
At 31 March 2022	**72,541,977**	**2,272,467**	**254,000**	**75,068,444**
At 31 March 2021	69,699,317	1,251,351	266,500	71,217,168

Listed investments are detailed as follows:	2022 Market Value £	2021 Market Value £
UK Fixed Interest	**4,851,809**	5,190,040
UK Equities	**20,011,034**	20,163,855
Property	**1,463,315**	1,380,581
Overseas Fixed Interest	**2,325,674**	2,277,484
Overseas Equities	**32,140,913**	33,073,554
Collective Investment Schemes	**24,160,666**	19,868,001
Other	**8,069,858**	6,830,316
	93,023,269	88,783,831

Notes to the financial statements for the year ended 31 March 2022 (continued)

11 Investments (continued)

Programme Related Investments – Charity and Group

	Total
	£
Loaned amounts	
At 1 April 2021	1,275,914
Advances during the year	200,895
Repayments	-
At 31 March 2022	**1,476,809**
Provisions	
At 1 April 2021	478,000
Provided against during the year	142,000
Provision released during the year	-
At 31 March 2022	**620,000**
Net loaned amounts	
At 31 March 2022	**856,809**
At 31 March 2021	797,914

Endowment fund investments - Charity

At valuation	**Listed investments £**	**Deposit & other cash balances £**	**Freehold property £**	**Total £**
At 1 April 2021	85,808,640	1,251,351	376,500	87,436,491
Additions/movement in the year	13,733,864	1,021,116	(14,000)	14,740,980
Disposals in the year	(15,206,774)	-	-	(15,206,774)
Realised losses in the year	(79,252)	-	-	(79,252)
Unrealised gains in the year	5,741,581	-	2,500	5,744,081
At 31 March 2022	**89,998,059**	**2,272,467**	**365,000**	**92,635,526**
At cost				
At 31 March 2022	**70,215,545**	**2,272,467**	**254,000**	**72,742,012**
At 31 March 2021	67,366,913	1,251,351	266,500	68,884,764

Notes to the financial statements for the year ended 31 March 2022 (continued)

11 Investments (continued)

Listed investments are detailed as follows:	**2022 Market Value £**	2021 Market Value £
UK Fixed Interest	**4,604,975**	4,952,167
UK Equities	**19,097,580**	19,198,542
Property	**1,387,811**	1,291,844
Overseas Fixed Interest	**2,325,674**	2,277,484
Overseas Equities	**30,767,592**	31,763,642
Collective Investment Schemes	**23,907,303**	19,639,065
Other	**7,907,124**	6,685,896
	89,998,059	85,808,640

Other investments – Charity

At cost and valuation	Unlisted investments £
At 1 April 2021	**100**
At 31 March 2022	**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 2022 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 £2,380,000 (note 18) (2021: £2,522,000) 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 2022 was £1,523,191 which is all available to be drawn down in full by NESIC during the investment period which is 10 years from 10 December 2014.

Realised gains and losses are calculated based on the market value brought forward plus any additions in the year. Total net realised gains calculated using historical cost was £4,255,737 for the full group (2021:£83,412). No single investment accounts for more than 5% of the endowment fund investments. One property holding was moved to current assets, assets held for resale, at the year end as a sale was agreed post year end.

Notes to the financial statements for the year ended 31 March 2022 (continued)

12 Tangible fixed assets

Group and Charity

	Land & Buildings £	Furniture & equipment £	Office improve-ments	Total £
Cost				
At 1 April 2021	750,000	85,738	33,472	869,210
Additions	-	5,136	14,638	19,774
Disposals	-	(8,441)	-	(8,441)
At 31 March 2022	**750,000**	**82,433**	**48,110**	**880,543**
Accumulated Depreciation				
At 1 April 2021	93,750	56,013	19,631	169,394
Charge for the year	15,000	14,322	4,080	33,402
Disposals	-	(8,135)	-	(8,135)
At 31 March 2022	**108,750**	**62,200**	**23,711**	**194,661**
Net book value				
At 31 March 2022	**641,250**	**20,233**	**24,399**	**685,882**
At 31 March 2021	656,250	29,725	13,841	699,816

13 Debtors

	Group 2022 £	Group 2021 £	**Charity 2022 £**	Charity 2021 £
Other debtors	**72,481**	2,887,750	**72,481**	2,887,750
Dividends and interest receivable	**49,712**	59,112	**46,113**	54,042
	122,193	2,946,862	**118,594**	2,941,792

Other debtors include an outstanding legacy which was known at the year end totalling £61,366 (2022: 2 legacies totalling £2,870,617).

Notes to the financial statements for the year ended 31 March 2022 (continued)

14 Creditors: amounts falling due within one year

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Other creditors and accruals	**336,860**	320,763	**336,860**	320,763
Taxation and social security costs	**18,523**	23,820	**18,523**	23,820
Grants payable	**1,459,579**	643,129	**1,455,139**	643,129
	1,814,962	987,712	**1,810,522**	987,712

Other creditors include amounts totalling £259,930 (2021: £127,390) 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.

15 Creditors: amounts falling due after more than one year

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Other creditors and accruals	**736,810**	869,350	**736,810**	869,350

Other creditors relates 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.

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.

	2022 £	2021 £
Corporation tax payable	-	-

Notes to the financial statements for the year ended 31 March 2022 (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 2021	93,406,695	90,361,180
Transfers between funds:		
Total returns endowment withdrawal	(4,350,498)	(4,350,498)
Transfers to endowment from income funds	19,001	19,001
Exceptional withdrawal from endowment funds	(2,669)	(2,669)
Net gain before transfers	6,864,797	6,730,264
At 31 March 2022	**95,937,326**	**92,757,278**

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 £4,350,498 (including Community First indexed gain withdrawal) and is shown as a transfer from the endowment fund. A withdrawal of £2,669 was made from the Jeremy Beecham Schools Fund which was used to cover grant-making commitments during the year.

Notes to the financial statements for the year ended 31 March 2022 (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 2022 have received sufficient funds to return them to credit.

	At 1 April 2021 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2022 £
#iwll	1,835	-	1,210	-	625
Frank Acfield	926	1,025	-	-	1,951
Abbot Memorial Grants	1,100	-	-	-	1,100
Akzo Nobel International Paint	2,696	18,409	19,571	1,300	234
Akzo Nobel International Paint Community First	-	-	-	-	-
Arts Council England Let's Create Jubilee	-	126,320	-	9,357	116,963
Asian	4,707	6,083	5,000	-	5,790
Stuart Ayre	-	1,957	1,957	-	-
Nancy Barbour Award	4,395	5,840	6,000	-	4,235
Jeremy Beecham Schools	167	664	4,000	(2,669)	(500)
Bellingham	2,737	2,750	3,710	-	1,777
Berwick Academy Endowment	28,158	9,444	38,000	-	(398)
Blackett Family Community First	-	17,189	17,220	-	(31)
EDF Energy Blyth Offshore Demonstrator Wind Farm Community Benefit	28,178	64,274	63,028	5,843	23,581
Enid Blyton Fund for Seven Stories	-	48,522	48,522	-	-
Bowey Community First	-	-	-	-	-
Ron & Louise Bowey Grassroots	5,060	20,156	20,784	-	4,432
Carolyn and Tony Brookes	185	3,036	3,000	-	221
Burnell Community First	-	-	-	-	-
Lawrence Campbell Community First	3,875	12,934	8,000	-	8,809
Canford Audio	156	539	-	-	695
Capacitybuilders CPP	5,458	-	-	-	5,458
Chapman	23,843	26,315	3,305	-	46,853
Chronicle Sunshine	-	9,232	9,232	-	-
The Community Infrastructure Levy (CIL)	-	171,026	21,749	3,256	146,021
Sir Tom Cowie	104,578	76,305	109,108	-	71,775
Abigail & Stephen Crampton	576	1,899	2,000	-	475
CrecheMobile	33,651	5,296	38,550	-	397
Culture Bridge	313	7,658	8,778	-	(807)
The Louise Dalton	305	2,318	-	-	2,623
Duncan & Sarah Davidson	1,744	6,336	6,385	-	1,695
Pamela and Dorothy Denham	-	4,714	4,229	-	485
Carried forward	254,643	650,241	443,338	17,087	444,459

Notes to the financial statements for the year ended 31 March 2022 (continued)

18 Income funds - restricted (continued)

	At 1 April 2021	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2022
	£	£	£	£	£
Brought forward	254,643	650,241	443,338	17,087	444,459
Pamela Denham Community First	-	-	-	-	-
Pamela Denham Grassroots	246	525	771	-	-
David Dockray's West End Young People's	693	47,727	41,221	30	7,169
Dream Jar	1,635	2,051	-	-	3,686
Andrew and Charlotte Dixon	323	1,339	-	-	1,662
The Edwin John Easydorchik Travelling Scholarship	13,060	5,914	-	-	18,974
Enviresearch	19,720	-	8,680	-	11,040
Evangelical	5,700	8,665	-	-	14,365
Express Enterprise	1,248	1,213	-	-	2,461
FARNE	10,095	24,940	2,000	-	33,035
David & Gitta Faulkner	554	2,121	2,050	-	625
Fausta and Rosemary Community First	-	-	-	-	-
Fergusons of Blyth	8,338	7,997	-	-	16,335
Fogo Community First	-	-	-	-	-
Gateshead Thrive	529	(10,529)	(10,000)	-	-
David Goldman Awards	-	30,674	30,674	-	-
Allison Greenlees Continuation	2,706	6,326	3,000	6,032	-
The EDF Energy Green Rigg Wind Farm Community Benefit	534	80,610	33,817	7,200	40,127
The EDF Energy Renewables Barmoor Windfarm Community Benefit	102,013	75,505	51,364	6,864	119,290
Jackie Haq Fund for Scotswood	1,311	2,207	500	-	3,018
Henderson Family	609	1,323	1,000	-	932
Heyman Travelling Scholarships	17,796	10,526	609	-	27,713
Joy Higginson	4,504	1,446	-	-	5,950
High Sheriff of Northumberland	37,458	78,231	48,250	13,651	53,788
Hokey Cokey Community First	-	-	-	-	-
Hoult Family Community First	-	-	-	-	-
Hoult Family Grassroots	2,534	3,279	5,089	-	724
The HunterPemberton Community First	3,430	9,268	5,000	-	7,698
JesDesStaff	726	1,541	2,250	-	17
RWE Renewables UK Kiln Pit Hill Wind Farm Community	2,841	20,732	15,404	1,885	6,284
Josephs Family	2,198	1,367	3,500	-	65
JPMorgan	2,277	2,512	-	-	4,789
Kellett	437,152	392,198	460,429	-	368,921
Kerry Community First	688	5,801	2,000	-	4,489
Kerry Grassroots	5,599	3,366	-	-	8,965
June King	3,931	4,098	7,980	-	49
Latterford	1,025	743	-	-	1,768
Carried forward	946,116	1,473,957	1,158,926	52,749	1,208,398

Notes to the financial statements for the year ended 31 March 2022 (continued)

18 Income funds - restricted (continued)

	At 1 April 2021	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2022
	£	£	£	£	£
Brought forward	946,116	1,473,957	1,158,926	52,749	1,208,398
Lendrum Community First	2,135	106,441	90,972	8,750	8,854
Capt. C.D. Leyland	5,553	4,212	2,000	-	7,765
Linden Community First	-	-	-	-	-
Local Environmental Action	55,118	14,602	40,914	-	28,806
George Loggie	16	1,281	-	-	1,297
Lady Betty Martin Fund within the North East Fund for the Arts	4,546	8,588	3,100	-	10,034
Grigor McClelland Community First	804	-	-	-	804
Moor	-	1,765	1,765	-	-
Nash	4,984	10,589	14,592	-	981
NEF Grassroots	3,260	1,754	-	-	5,014
NET Coronavirus Appeal	54,605	-	54,603	-	2
Newcastle Culture Investment	33,952	794,262	772,930	28,715	26,569
Newcastle Dispensary Relief in Sickness	67,298	4,136	71,020	-	414
North East Endowment for Musical Traditions	9,181	6,486	6,493	-	9,174
North East Fund for the Arts	7,403	6,544	6,810	-	7,137
North East Social Investment	2,522,000	-	-	142,000	2,380,000
Northern Angel Fund for Berwick	5,593	27,395	27,500	-	5,488
North Tyneside	1,680	1,871	3,551	-	-
Northumberland Group	31,769	35,177	-	-	66,946
Northumberland Village Homes Trust	57,779	117,762	94,820	-	80,721
Northumberland Wildlife Trust	-	1,845	1,845	-	-
Out & About	11,166	5,528	6,000	-	10,694
The Pargiter Trust	-	80,000	72,000	8,000	-
Anne & David Parker	-	6,678	6,000	263	415
Partnership programme	65,341	-	-	-	65,341
Patch	7,860	15,941	17,000	-	6,801
Pea Green Boat Community First	686	127,766	127,447	-	1,005
Pen & Palette Club Fund within the North East Fund for the Arts	5,300	5,025	2,660	-	7,665
Percy Family	3,261	9,626	2,550	-	10,337
Philanthropy House	749,893	-	-	-	749,893
Platten Family Community First	463	-	-	-	463
Port of Tyne	-	10,000	7,265	1,000	1,735
Prudhoe League of Friends	3,468	3,844	7,312	-	-
Geoffrey and Ann Purves	-	1,433	-	-	1,433
Ray Wind Farm Small Grants Programme	3,835	102,296	95,526	10,000	605
Readman Community First	-	-	-	-	-
Readman Family Grassroots	9,469	93,301	42,848	-	59,922
Carried forward	4,674,534	3,080,105	2,738,449	251,477	4,764,713

Notes to the financial statements for the year ended 31 March 2022 (continued)

18 Income funds - restricted (continued)

	At 1 April 2021	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2022
	£	£	£	£	£
Brought forward	4,674,534	3,080,105	2,738,449	251,477	4,764,713
Readman Foundation	30,555	-	(6,666)	-	37,221
Carrie Reay Grassroots	5,634	4,104	8,150	-	1,588
REEDS Community First	-	-	-	-	-
REEDS Grassroots	24,915	44,152	37,591	-	31,476
Riddell Family Community First	7,019	70,157	77,538	-	(362)
Riding Grange Grassroots	2,188	3,391	1,000	-	4,579
Jane Robertson Alnwick	5,831	7,565	5,000	-	8,396
Roseline Foundation	91,250	-	70,000	-	21,250
Brian Roycroft	15,666	20,936	28,945	-	7,657
RWE Innogy UK Middlemoor Wind Farm Community	103,942	109,011	172,973	19,453	20,527
Sage Gateshead	-	736,784	736,784	-	-
Smail Family	464	4,681	3,850	-	1,295
Spriggs Family Community First	-	-	-	-	-
Shohba & Trikoli Srivastava Community First	591	972	1,500	-	63
Sunderland Industrial & Reformatory School	1,540	1,335	1,980	-	895
Suz Grassroots	3,234	1,740	-	-	4,974
Taylor	-	21,088	11,804	-	9,284
Third Sector Trends	18,993	25,000	40,000	-	3,993
Thornton Family Grassroots	1,520	4,184	3,000	-	2,704
Tiny Lives	-	103,927	103,927	-	-
Tyne & Wear High Sheriff Awards	17,080	51,968	49,000	716	19,332
Tyne & Wear High Sheriff Community First	-	-	-	-	-
Tyne & Wear Grassroots	794	876	-	-	1,670
Ventient Sisters North Steads Wind Farm Community Benefit	220,804	165,536	219,410	14,173	152,757
Vicky F Grassroots	2,160	1,459	-	-	3,619
Virgin Money	1,512	3,750	5,000	-	262
Vital Gateshead	7,941	15,571	12,000	-	11,512
Vital Newcastle	6,853	25,197	-	-	32,050
Vital North Tyneside	1,511	7,018	-	-	8,529
Vital Northumberland	17,754	24,939	16,620	-	26,073
Vital South Tyneside	1,317	6,395	7,500	-	212
Vital Sunderland	8,254	30,776	-	-	39,030
Ted Weekes	15,936	13,920	10,174	-	19,682
The Wellesley Trust	52,200	546,772	423,127	10,000	165,845
The Wellesley Trust Community First	-	-	-	-	-
The 1989 Willan Charitable Trust	19,148	572,250	557,952	29,750	3,696
Carried forward	5,361,140	5,705,559	5,336,608	325,569	5,404,522

Notes to the financial statements for the year ended 31 March 2022 (continued)

18 Income funds - restricted (continued)

	At 1 April 2021	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2022
	£	£	£	£	£
Brought forward	5,361,140	5,705,559	5,336,608	325,569	5,404,522
Mark and Ian Wilson Family	2,731	2,430	-	-	5,161
Wood	2,403	7,682	3,500	-	6,585
CH Wood	4,783	5,303	10,086	-	-
Women's	1,485	41,823	30,000	-	13,308
Women's Community First	-	-	-	-	-
Young Musician's	3,118	7,082	7,923	-	2,277
Total Community Foundation	**5,375,660**	**5,769,879**	**5,388,117**	**325,569**	**5,431,853**
Joseph Brough Charitable Trust	34,499	38,757	10,000	30	63,226
Tyne and Wear Foundation Trust	72,194	13,625	62,060	26	23,733
Tyne & Wear Foundation Limited	(30)	-	-	-	(30)
Total Group	**5,482,323**	**5,822,261**	**5,460,177**	**325,625**	**5,518,782**

Income and transfers include credits of £1,498,160 transferred from the main and ethical endowment funds and £915,233 from Community First funds to distribute as income on a total returns basis and £38,500 of other transfers. Other outgoings include transfers between funds of £166,630, amortisation of Programme Related Investments of £142,000 and other fund expenses of £16,995.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 2022 have received sufficient funds to return them to credit.

	At 1 April 2021	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2022
	£	£	£	£	£
Adderstone	2,009	12,928	10,000	-	4,937
AJM	-	898	-	-	898
Anonymous	7,757	3,458	-	-	11,215
Appletree	3,997	25,100	25,020	-	4,077
Ashington Community Development Trust	4,120	4,007	-	-	8,127
Barley Hill	3,723	4,126	7,750	-	99
Barnes	1,269	8,026	7,486	-	1,809
Christopher Beadle	3,585	5,663	7,700	-	1,548
Charles Robert Bell	-	15,506	5000	-	10,506
John Bell	52,930	70,052	3,390	-	119,592
Bellway	3,168	3,192	5,548	-	812
Carried forward	82,558	152,956	71,894	-	163,620

Notes to the financial statements for the year ended 31 March 2022 (continued)

19 Income funds - unrestricted (continued)

	At 1 April 2021	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2022
	£	£	£	£	£
Brought forward	82,558	152,956	71,894	-	163,620
Sara Alexandra Bernstone	800	5,251	6,000	-	51
Bonas Machine Company	598	1,999	1,500	-	1,097
Ron and Louise Bowey	19,130	40,741	61,970	-	(2,099)
Dawn Brown	2,344	1,477	3,062	-	759
Stephen Byers	6,830	8,359	15,162	-	27
The Muriel Campbell	1,421	1,606	-	-	3,027
Carr-Ellison Charitable Trust	6,954	10,791	9,750	-	7,995
Carroll Savage	5,815	6,436	11,005	-	1,246
Chrysalis	3,577	2,048	5,097	-	528
Daphne & Martin Cookson	1,056	5,528	6,000	-	584
Roland Cookson	-	75,878	75,878	-	-
Roland Cookson Community	(809)	21,615	16,060	1,642	3,104
Coquet	15,671	-	12,000	-	3,671
Coronavirus Response and Recovery	875,731	1,377	870,000	153	6,955
Crozier	-	5,197	-	5,197	-
Curtain PARP	32,209	54,552	58,892	359	27,510
John D Endowment	(2,173)	14,397	13,966	-	(1,742)
Dickon Trust	631	79,833	82,014	-	(1,550)
Elgon	3,170	1,197	-	-	4,367
Fogo	18,862	55,729	34,995	-	39,596
Gateshead Housing Company Community	-	(3,001)	(3,001)	-	-
George and Peggy	6,789	5,919	10,020	-	2,688
Adrian and Ingrid Gifford	-	885	-	-	885
The Giving Network	9,215	17,002	15,801	1,026	9,390
Margaret and Dorothy Gordon Memorial	724	1,304	2,028	-	-
Groves Family	7,467	5,680	6,000	-	7,147
Michael and Christine Heppell	6,383	3,500	-	-	9,883
Bill and May Hodgson	-	17,382	12,000	1,382	4,000
The Hokey Cokey (that's what it's all about)	3,801	5,085	6,970	-	1,916
I'Anson Family	2,751	2,991	1,500	-	4,242
If only...	142	1,649	1,500	-	291
Sir James Knott	-	2,350	2,350	-	-
John Laing	4,331	5,599	10,000	-	(70)
William Leech Charity	29,549	23,171	20,000	-	32,720
Leech Challenge	3,250	3,409	2,500	-	4,159
Linden Family	(6,005)	189,364	186,898	-	(3,539)
FB & PFB Lough	4,165	111,513	100,490	-	15,188
Grigor McClelland	13,206	33,127	-	-	46,333
Daisy Marr	12,730	31,780	42,898	-	1,612
Maudslay Family	701	2,560	1,900	-	1,361
G S May Family	4,529	6,475	8,500	500	2,004
McIntosh	1,084	1,616	2,000	-	700
Milburn Briel	981	8,092	7,625	-	1,448
Muckle LLP	21,670	39,328	22,905	2,561	35,532
Carried forward	1,201,838	1,063,747	1,816,129	12,820	436,636

Notes to the financial statements for the year ended 31 March 2022 (continued)

19 Income funds - unrestricted (continued)

	At 1 April 2021 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2022 £
Brought forward	1,201,838	1,063,747	1,816,129	12,820	436,636
Newcastle Building Society Community	15,656	289,777	276,905	22,174	6,354
Emma Newton	3,040	5,429	4,500	-	3,969
North East Brewers	6,165	6,799	-	-	12,964
Northern Powergrid	-	17,624	17,870	-	(246)
Northumbrian Water	37	6,665	-	-	6,702
Opencast Charitable	18,000	-	18,000	-	-
Pattinson Estate Agents	2,902	7,198	3,000	-	7,100
Platten Family	336,246	235,325	59,750	11,750	500,071
PricewaterhouseCoopers	450	2,018	2,000	-	468
Prime	1,976	130,866	140,367	-	(7,525)
Proudfoot Family	1,395	1,510	2,000	-	905
P&G	220	61,598	67,947	-	(6,129)
Guy Readman endowment	340,347	139,528	21,821	-	458,054
Matthew Ridley	-	926	-	-	926
Ringtons	15,409	59,601	70,312	-	4,698
Rolls-Royce	5,233	2,810	7,622	-	421
St Cuthbert's	11,469	2,276	-	-	13,745
John & Barbara Sadler & Jeanette Henderson	-	5,742	4,000	-	1,742
Johnnie & Tricia Smith and Family	3,704	4,571	7,576	-	699
Barry & Faga Speker	1,132	1,342	1,000	-	1,474
Spriggs Family	1	1,736	-	-	1,737
Squires Foundation	4,019	25,219	30,100	2,400	(3,262)
Shobha and Triloki Srivastava Grassroots	3,601	2,857	5,000	-	1,458
Star	6,304	10,661	9,000	-	7,965
Tess	4,428	3,347	-	-	7,775
Brian & Margaret Thompson	2,500	1,590	4,000	-	90
Thorne & Derrick	-	30,000	9,532	3,600	16,868
Treeline	120	3,654	2,500	-	1,274
Vaux	8,189	9,033	-	-	17,222
Ward Hadaway	3,527	5,791	8,000	300	1,018
Watkin Family	81	30,772	23,723	-	7,130
Weightman	1,015	2,695	3,000	150	560
Welch Family	680	1,439	2,119	-	-
Wide Open Road	1,789	7,927	9,000	-	716
Willis Charitable	1,470	5,296	5,750	-	1,016
The Lucy Winskell	-	1,248	1,248	-	0
Winter Family	(19)	17,067	17,485	-	(437)
Robert Wood Trust	(192)	4,789	-	-	4,597
Other general grant-making funds	383,711	414,023	423,723	80,342	293,669
Total designated funds	2,386,443	2,624,496	3,074,979	133,536	1,802,424
Administrative fund	777,769	1,254,511	-	1,197,886	834,394
Total Community Foundation	**3,164,212**	3,879,007	3,074,979	1,331,422	**2,636,818**
Total Group	**3,164,212**	**3,879,007**	**3,074,979**	**1,331,422**	**2,636,818**

Notes to the financial statements for the year ended 31 March 2022 (continued)

19 Income funds - unrestricted (continued)

Income and transfers include £1,937,105 transferred from the main and ethical endowment funds to distribute as income on a total returns basis and £258,993 of other transfers. Other outgoings and transfers consist of £147,195 transferred between funds, £900,062 staff costs, £1,340 designated fund expenses and other net administrative costs of £282,825.

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 8 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	**2022 Total**
	£	£	£	**£**
Investments	-	856,809	95,660,736	**96,517,545**
Tangible fixed assets	44,632	641,250	-	**685,882**
Current assets	3,271,883	5,881,379	288,009	**9,441,271**
Current liabilities	(679,697)	(1,123,846)	(11,419)	**(1,814,962)**
Creditors due after one year	-	(736,810)	-	**(736,810)**
Total net assets	2,636,818	5,518,782	95,937,326	**104,092,926**

Charity

	Unrestricted funds	Restricted funds	Endowment funds	**2022 Total**
	£	£	£	**£**
Investments	-	856,909	92,635,526	**93,492,435**
Tangible fixed assets	44,632	641,250	-	**685,882**
Current assets	3,271,883	5,789,910	133,171	**9,194,964**
Current liabilities	(679,697)	(1,119,406)	(11,419)	**(1,810,522)**
Creditors due after one year	-	(736,810)	-	**(736,810)**
Total net assets	2,636,818	5,431,853	92,757,278	**100,825,949**

Notes to the financial statements for the year ended 31 March 2022 (continued)

21 Pensions

The Community Foundation contributes to a defined contribution group pension scheme for all staff. The assets of the schemes are held separately from those of the Community Foundation in independently administered funds. The pension charge represents contributions by the Community Foundation to the funds and amounted to £47,728 (2021: £45,519). There were no outstanding contributions at 31 March 2022 (2021: 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 £6,318,322 (2021: £10,405,940) and its net income for the year was £1,924,897 (2021: £17,975,996) after the addition of gains on investments of £5,522,829 (2021: £15,972,385).

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 (2021: nil). A summary of results of the subsidiary company is shown below:

	Total 2022	Total 2021
	£	£
Turnover	-	-
Cost of sales	-	-
Operating profit	-	-
Administrative costs	-	-
Net profit	-	-

Notes to the financial statements for the year ended 31 March 2022 (continued)

22 Subsidiary company and charities (continued)

The aggregate of the assets and liabilities was:	**Total 2022 £**	Total 2021 £
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 2022 £	Total 2021 £
Investment income	**43,757**	43,945
Donations and legacies	**-**	62
Charitable activities	**(15,030)**	(83,477)
Investment management costs	**(8,231)**	(7,120)
Gains on investments	**127,829**	408,381
Net movement in funds	**148,325**	361,791

The aggregate of the assets, liabilities and funds was:

	Total 2022 £	Total 2021 £
Assets	**2,358,703**	2,210,378
Liabilities	**-**	-
Funds	**2,358,703**	2,210,378

Notes to the financial statements for the year ended 31 March 2022 (continued)

22 Subsidiary company and charities (continued)

Represented by:	**Total 2022** £	Total 2021 £
Permanent endowment fund	**2,295,477**	2,175,879
Restricted funds	**63,226**	34,499
Funds	**2,358,703**	2,210,378

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 2022 £	Total 2021 £
Investment income	**19,030**	21,891
Investment management costs	**(6,169)**	(5,515)
Charitable activities	**(67,491)**	(7,402)
Gains on investments	**21,104**	160,350
Net movement in funds	**(33,526)**	169,324

The aggregate of the assets, liabilities and funds was:

	Total 2022 £	Total 2021 £
Assets	**912,744**	941,830
Liabilities	**(4,440)**	-
Funds	**908,304**	941,830

Notes to the financial statements for the year ended 31 March 2022 (continued)

22 Subsidiary company and charities (continued)

Represented by:	**Total 2022** £	Total 2021 £
Permanent endowment fund	**884,571**	869,636
Restricted funds	**23,733**	72,194
Funds	**908,304**	941,830

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 £288,222 (2021: £273,715) to Community Foundation named endowment and revenue funds, and £1,377 (2021: £1,330) was donated by members of the Executive Staff Team.

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

Organisation	**Director/employee involved**	**Relationship**	**Total grants** £
Charlotte Straker Project	Lady Blackett	Trustee	81,893
Derwenthaugh Boat Station	Lucy Winskell OBE	Honorary President	7,696
Newcastle upon Tyne Hospitals NHS Foundation Trust	Jill Baker	Non-Executive Director	51,070
New Writing North	Claire Malcolm	Employee	44,500
North East Theatre Trust	Lucy Winskell OBE	Trustee	4,211
Voluntary Organisations Development Agency, North Tyneside	Robin Fry	Employee	10,000
VONNE	Colin Hewitt	Trustee	10,000

Notes to the financial statements for the year ended 31 March 2022 (continued)

23 Related party transactions (continued)

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	3,771
Tyne & Wear Foundation Trust	Made donations to restricted funds in Community Foundation	1,634

24 Cash flow information for the Group

Reconciliation of net income to net cash flow from operating activities

	2022 £	2021 £
Net income for the year	**2,039,696**	18,507,111
Adjustments for:		
Receipt of endowment	**(1,317,427)**	(3,776,143)
Depreciation charges	**33,402**	32,555
Gains on endowment investments	**(5,813,762)**	(16,708,410)
Increase in assets held for resale	**(14,000)**	-
Loss on disposal of fixed assets	**306**	-
Losses on programme related investments	**142,000**	167,294
Dividends and interest from investments	**(1,841,153)**	(1,926,609)
Decrease/(increase) in debtors	**2,824,669**	(2,869,637)
(Increase)/decrease in creditors	**694,710**	(414,584)
Net cash used in operating activities	**(3,251,559)**	(6,988,423)

Notes to the financial statements for the year ended 31 March 2022 (continued)

24 Cash flow information for the Group (continued)

Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	**3,761,173**	3,516,638
Short-term deposits	**5,543,905**	5,537,380
Total cash and cash equivalents	**9,305,078**	9,054,018

25 Ultimate controlling party

The Directors do not consider that the Community Foundation (Charity) has an ultimate controlling party because the Community Foundation has a large and wide-ranging membership who elect the Board and would be required to agree any changes to the Memorandum and Articles. Due to the structure of the Community Foundation (Charity) the group also does not have an ultimate controlling party.

Community Foundation North East

England & Wales - Charity number 700510

Accounts

Community Foundation

serving Tyne & Wear and Northumberland

(A company limited by guarantee)

Annual financial statements for the year ended 31 March 2021

Registered company number 02273708

Registered charity number 700510

Community Foundation

serving Tyne & Wear and Northumberland

(A company limited by guarantee)

Annual financial statements for the year ended 31 March 2021

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Community Foundation
serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2021

Introduction

The Board present their report and the audited consolidated financial statements for the year ended 31 March 2021.

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 some funding programmes on contracts from UK Community Foundations but is not otherwise subject to any governance arrangements with UK Community Foundations.

Annual report for the year ended 31 March 2021 (continued)

Advisers

Independent Auditors

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

Main Bankers

Barclays Bank PLC
Newcastle Corporate Services
Barclays House
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Investment Managers

Rathbone Investment Management Limited
Earl Grey House
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Newcastle upon Tyne
NE1 6EF

Brewin Dolphin Limited
Time Central
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Newcastle upon Tyne
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Investec Wealth & Investment Limited
2 Gresham Street
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Senator House
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London
EC4V 4ET

Solicitors

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

Annual report for the year ended 31 March 2021 (continued)

Structure, governance and management

The Community Foundation is a limited company governed by Memorandum and Articles of Association drawn up in 1988 and amended in 1990, 2000, 2007, 2017 and 2018. A revision to the Charity's objects, which had been approved by the Charity Commission, was adopted by the membership at the 2018 Annual General Meeting.

The Memorandum and Articles allow for four categories of members as follows:

Category A – voluntary organisations
Category B – individuals
Category C – statutory authorities
Category D – companies/businesses

Members have voting rights at the Annual General Meeting and receive regular information about Community Foundation activities throughout the year. Members may nominate candidates for election to the Board. Each membership category elects two members to the Board except for Category C, where Board members are appointed by mutual consent. The Board may co-opt up to five further members and is required to ensure adequate representation throughout the area of benefit.

Board members serve for a three-year term and may be elected/appointed for two further periods of three years each. However, Board members do not normally serve for a third term unless they have been appointed as officers of the Board.

There are arrangements for induction, training and support of Board members, which are reviewed by the Governance, Finance and Audit Committee. Each new Board Member is given an induction pack and attends an induction session with the executive team and meets the Chair. The Governance, Finance and Audit Committee reviews training needs of the Board members and arranges training as required. The involvement of Board members is reviewed by the Officers of the Board annually to ensure that skills and time provided by members are used to best effect. Additionally, Board skills are kept under review to inform Board member recruitment, engagement and support. Board members also volunteer their services to assist in Community Foundation activities, such as grant panels, donor development and public speaking 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.

Annual report for the year ended 31 March 2021 (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)

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

Fiona Cruickshank OBE – Chair elected November 2011, resigned October 2020, appointed December 2020	(G, F&A)
Geoffrey Hodgson – Deputy Chair co-opted June 2013, elected October 2013	(G,F&A)
Paul Farquhar - Treasurer co-opted March 2018	(G,F&A, Inv)
Jill Baker co-opted June 2019	(Inv)
Anna, Lady Blackett co-opted December 2015	
Michael Brodie co-opted February 2020	
Robin Fry appointed December 2020	(Inv)
Andrew Haigh elected December 2016	(G,F&A)
Claire Malcolm co-opted March 2019	(Inv)
Patrick Melia appointed December 2016 to represent statutory authorities	
Laura Warwick appointed November 2018	(Inv)
Neil Warwick OBE co-opted December 2015, elected November 2016	(G,F&A)
Lucy Winskell OBE elected December 2016	

Annual report for the year ended 31 March 2021 (continued)

Structure, governance and management (continued)

Fiona Cruickshank will retire at the 2021 Annual General Meeting having been re-co-opted for one year from December 2020 to provide continuity in the chair role during and after the Coronavirus crisis. Neil Warwick will also retire having served two three-year terms.

During the year, the Board began an open recruitment process to appoint a new chair. In June 2021, the Board agreed to appoint Phil Moorhouse to the role. He will succeed Fiona at the 2021 Annual General Meeting.

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

At the year-end there was a total of 22 staff (full time equivalent 19.49).

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.

Annual report for the year ended 31 March 2021 (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

2021-22 was the first year of the Community Foundation's strategy to 2025. However much of what was originally planned for the year was put on hold to focus on responding to the Coronavirus pandemic. A Coronavirus Response and Recovery Fund appeal launched on 18 March 2020 and received major support from Newcastle Building Society, Virgin Money Foundation and the Sir James Knott Trust. A wide range of other individual and business donors supported the fund, some existing donors and some new who came via

Annual report for the year ended 31 March 2021 (continued)

Strategic report (continued)

Achievements and performance (continued)

online giving channels and other routes. The Foundation also received and distributed funds in Tyne & Wear and Northumberland raised through the National Emergencies Trust's appeal. The appeal and fund closed in June 2021 at which point the Foundation had awarded £2.83m in response and recovery grants to 225 organisations across all its funds.

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

- £3.8m in endowment gifts and £4.7m in revenue gifts were received, the latter including funds received in response to the Coronavirus appeal and from the National Emergencies Trust.
- 12 new funds were established.
- 3 new legacy notifications were received.
- Demonstrated very strong satisfaction rates in anonymous survey of Foundation fund-advisors

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

- 1,331 grants (2020: 1,256) totalling £7.22m (2020: £6.63m) were awarded, exceeding the baseline of £6.8m and close to the five-year target of £7.5m. The majority continued to be for amounts of under £5,000. In total 621 organisations and 80 individuals were supported. The table below shows the breakdown by fund type.

Fund type	No of grants	Total awards
Individual and family funds	342	1,472,917
Corporate funds	260	962,395
Charity and trust funds	464	2,729,316
Collective funds	187	478,968
Projects and partnership funds	53	690,187
Agency funds (benefiting a named organisation)	25	883,200
Total grants awarded by the full Group	**1,331**	**7,216,983**

- 7 'Time to Talk' sessions for grantees were held and 2 funding events attended.
- Funding was delivered for partners including Newcastle and Gateshead Councils.
- Grant-making support services were delivered for Ridley Family Charity and the Bernicia Foundation.
- 15 trustee matches made through our brokerage scheme.

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

- Published a *Vital Signs* report on diversity, equity and inclusion
- Published *Third Sector Trends in North East England 2020*
- Joined technical panel of Pro Bono Economics' Law Commission on Civil Society
- Agreed to co-finance North of Tyne poverty truth commission alongside the Combined Authority

Annual report for the year ended 31 March 2021 (continued)

Strategic report (continued)

Achievements and performance (continued)

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

- Endowment value increased from £75.9m to £92.5m
- Significant legacy gifts were received from the estates of long-standing fund-advisors

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

- Successfully recruited new chair through open process
- Consulted members on new diversity, equity and inclusion policy which was published in March 2021
- Joined strategy group for Association of Charitable Foundation's collaborative funding hub
- 83% of core costs covered by endowment and revenue fund contributions
- Achieved Gold level in the Better health at work scheme.

Fundraising

The Community Foundation is registered with the Fundraising Regulator which is the independent regulator of charitable fundraising. The Board approved a Growth Plan (the Plan) in 2017 which includes the approach we take to fundraising in the organisation 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.

Annual report for the year ended 31 March 2021 (continued)

Strategic report (continued)

Programme related investments

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

Financial review

Net assets at 31 March 2021 were £102.05m (2020: £83.55m). £93.41m of the assets related to endowment funds (2020: £75.90m). The total unrealised and realised gains on investments amounted to £16.54m (2020: losses £7.49m). There were new donations to the endowment funds during the year of £3.78m (2020: £4.93m), and fees and transfers out of endowment of £2.98m (2020: £2.89m). The expendable endowment fund (charity only) is treated by the Trustees as a long-term capital fund to provide income for future grant-making. Further details of performance of subsidiary undertakings are detailed in note 21. The investments were managed by Rathbone Investment Management, Investec Wealth & Investment Management, CCLA Investment Management and Brewin Dolphin, to achieve maximum total returns and provide an agreed amount annually for grant-making. CCLA Investment Management also manages the funds donated to the Community First Trust as required by the match funding agreement. There is separate provision for donors who wish to invest ethically. The Investment Committee monitors the managers' performance in relation to a 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.

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 25.3% compared to the benchmark of 24%. 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 £10.46m (2020: £10.05m). The main sources of income were new donations and investment income. The main resources expended were for charitable grants of £7.14m net (2020: £6.55m 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 2021 of £3,164,212 includes £2,386,443 set aside for designated funds which are solely for future grant-making, and the balance of £777,769 less fixed assets of £43,566, £734,203 is the general reserve available to meet future administration and development expenditure.

Annual report for the year ended 31 March 2021 (continued)

Strategic report (continued)

Financial review – reserves (continued)

The Board reviewed its reserve levels in March 2021and designated £212,000 of the general reserves to support running costs as part of a two year budget plan. 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 £522,203 which was within the range calculated, minimum level of £330,000 and the maximum £570,000. 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	£105m
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 2021-22 include:

- Donor engagement through webinars, impact reporting and the development of an online portal
- Supporting post-Covid stabilisation and resilience among grantees, with particular focus on underserved communities and those who experience discrimination, including through trialling approaches to participatory grant making
- Adopting a new responsible investment policy by March 2022
- Passing national quality accreditation through UK Community Foundations
- Setting and published diversity data on our people and our grants

Annual report for the year ended 31 March 2021 (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 2019 the Board reviewed its risk policy for determining, managing and reviewing the risks to which the Community Foundation is exposed. The Board will continue to review the risk policy every three years. The risk register is reviewed quarterly, and any significant changes reported to the Board. Every year, the Board receives a report on risk and approves an updated risk register. The main risks identified in the most recent register dated June 2020 were:

- Losing significant asset value
- Failure to achieve 6% return
- Disaster

The Board reviews controls already in place for mitigating risks and identifies further treatment or monitoring required to manage the identified risks. The first and second risks noted above are linked to the performance and drawdown from the Community Foundation's endowment funds. The Investment Committee meets regularly with the investment managers to discuss and review performance of the funds, which are invested in line with the Community Foundation's Investment Policy. The Board reviews its Investment Policy on a regular basis including the ranges of asset allocation and benchmarking. The Board agreed to maintain 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. The global Covid-19 pandemic has impacted significantly on markets, although there has been some recovery since March, the Board will keep this under close review. The third main risk has been increased in light of the ongoing pandemic; again the Board is monitoring the impact on operations and budgets on a regular basis.

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;

Annual report for the year ended 31 March 2021 (continued)

Strategic report (continued)

Statement of trustees' responsibilities (continued)

- state whether applicable UK Accounting Standards comprising FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

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

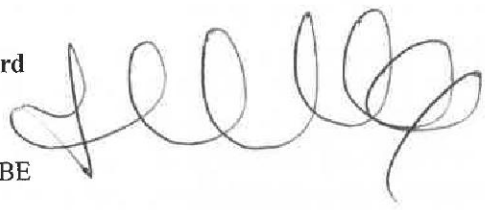
- there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the group's auditors are unaware; and
- the trustees, having made enquiries of fellow directors and the group's auditors that they ought to have individually taken, have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

Independent Auditors

MHA Tait Walker have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the annual general meeting.

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

By Order of the Board



Fiona Cruickshank OBE
Chair

21 September 2021

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 2021, 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 2021 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.

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

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.

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 MHA Tait Walker
Chartered Accountants and Statutory Auditor

Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 22-9-2021

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

Community Foundation
serving Tyne & Wear and Northumberland

Consolidated statement of financial activities for the year ended 31 March 2021

	Note	Unrestricted funds	Restricted funds	Endowment funds	**Total 2021**	Total 2020
		£	£	£	**£**	£
Income and endowments from:						
Donations and legacies		1,127,564	3,575,718	3,776,143	**8,479,425**	7,695,759
Charitable activities	**3**	54,458	-	-	**54,458**	52,300
Other trading activities	**4**	2,000	-	-	**2,000**	8,500
Investment income	**5**	909,579	1,017,030	-	**1,926,609**	2,295,650
Total income and endowments		2,093,601	4,592,748	3,776,143	**10,462,492**	10,052,209
Expenditure on:						
Raising funds	**7**	218,100	-	-	**218,100**	274,853
Investment management costs		-	-	236,905	**236,905**	254,181
Charitable activities	**8**	2,537,595	5,503,897	-	**8,041,492**	7,589,581
Total expenditure		2,755,695	5,503,897	236,905	**8,496,497**	8,118,615
Net (losses)/gains on investments		-	(167,294)	16,708,410	**16,541,116**	(7,485,414)
Net (loss)/income		(662,094)	(1,078,443)	20,247,648	**18,507,111**	(5,551,820)
Transfers between funds		1,556,188	1,189,144	(2,745,332)	-	-
Net movement in funds		894,094	110,701	17,502,316	**18,507,111**	(5,551,820)
Reconciliation of funds:						
Total funds brought forward		2,270,118	5,371,622	75,904,379	**83,546,119**	89,097,939
Total funds carried forward		3,164,212	5,482,323	93,406,695	**102,053,230**	83,546,119

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 2021

	Note	2021	2020
		£	£
Income - continuing operations			
Donations and legacies		**4,703,282**	2,766,278
Charitable activities		**54,458**	52,300
Other trading activities		**2,000**	8,500
Investment income	**5**	**1,926,609**	2,295,650
		6,686,349	5,122,728
Expenditure - continuing operations			
Grants	**8**	**7,144,993**	6,549,097
Staff costs	**9**	**875,602**	908,826
Other costs		**238,997**	406,511
		8,259,592	7,864,434
Net loss on investments		**(167,294)**	(115,597)
Net loss for the year before transfers and taxation		**(1,740,537)**	(2,857,303)
Transfer from endowment fund		**2,745,332**	2,639,453
Taxation	**15**	**-**	-
Net surplus/(deficit) for the year		**1,004,795**	(217,850)

The total income of £6,686,349 comprises £2,093,601 for unrestricted funds and £4,592,748 for restricted funds as shown in the statement of financial activities. The total expenditure of £8,259,592 comprises £2,755,695 for unrestricted funds and £5,503,897 for restricted funds as shown in the statement of financial activities.

Community Foundation
serving Tyne & Wear and Northumberland

Balance sheets as at 31 March 2021
Registered company number 02273708

	Note	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Fixed assets					
Endowment fund investments	10	**90,411,682**	75,706,413	**87,436,491**	73,340,329
Programme related and other investments	10	**797,914**	845,266	**798,014**	845,366
Tangible assets	11	**699,816**	727,795	**699,816**	727,795
Total fixed assets		**91,909,412**	77,279,474	**88,934,321**	74,913,490
Current assets					
Debtors	12	**2,946,862**	77,225	**2,941,792**	69,600
Cash on short-term deposit		**5,537,380**	6,030,934	**5,537,380**	6,030,934
Cash at bank and in hand		**3,516,638**	2,430,132	**3,344,621**	2,174,329
Total current assets		**12,000,880**	8,538,291	**11,823,793**	8,274,863
Creditors: amounts falling due within one year	13	**(987,712)**	(1,337,966)	**(987,712)**	(1,329,617)
Net current assets less current liabilities		**11,013,168**	7,200,325	**10,836,081**	6,945,246
		102,922,580	84,479,799	**99,770,402**	81,858,736
Creditors: amounts falling due after more than one year	14	**(869,350)**	(933,680)	**(869,350)**	(933,680)
Total assets		**102,053,230**	83,546,119	**98,901,052**	80,925,056
The funds of the charity:					
Endowment funds	16	**93,406,695**	75,904,379	**90,361,180**	73,414,960
Restricted income funds	17	**5,482,323**	5,371,622	**5,375,660**	5,239,978
Unrestricted income funds	18	**3,164,212**	2,270,118	**3,164,212**	2,270,118
Total charity funds		**102,053,230**	83,546,119	**98,901,052**	80,925,056

The financial statements on pages 17 to 49 were approved by the Board on 21 September 2021 and were signed on their behalf by:

Fiona Cruickshank OBE
Chair

Paul Farquhar
Treasurer

Community Foundation
serving Tyne & Wear and Northumberland

Consolidated cash flow statement for the year ended 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities:			
Net cash used in operating activities	**23**	**(6,988,423)**	(6,607,245)
Cash flows from investing activities:			
Dividends and interest from investments		**1,926,609**	2,295,650
Purchase of fixed assets		**(4,576)**	(4,263)
Proceeds from the sale of investments		**14,768,526**	18,392,550
Purchase of investments		**(12,765,385)**	(20,353,410)
Programme related investments drawn down		**(119,942)**	(239,375)
Net cash provided by investing activities		**3,805,232**	91,152
Cash flows from financing activities:			
Receipt of endowment		**3,776,143**	4,929,481
Net cash provided by financing activities		**3,776,143**	4,929,481
Change in cash and cash equivalents in the year		**592,952**	(1,586,612)
Cash and cash equivalents at the beginning of the year	**23**	**8,461,066**	10,047,678
Cash and cash equivalents at the end of the year	**23**	**9,054,018**	8,461,066

Notes to the financial statements for the year ended 31 March 2021

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 even with the impact of the Covid-19 global pandemic. As a result, the charitable company and group's financial statements have been prepared on the going concern basis.

c) Incoming resources

Income is recognised in the period in which it is receivable unless the Charity has to fulfil conditions before becoming entitled to it or if the donor has specified that the income is to be expended in a future period, in which case it is deferred. Donations are accounted for in the period in which they are received or receipt is probable and the charity is entitled to the donation at that point in time. All donations are derived from the UK. Investment income is recognised on an accruals basis. Grants from the Government and other agencies have been included as income from charitable activities where these amount to a contract for services.

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

Notes to the financial statements for the year ended 31 March 2021 (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 £2,712,850 (2020: £2,419,827) in excess of investment income, was transferred from the main and ethical endowment funds to restricted £1,405,523 and unrestricted £1,307,327 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 £nil (2020: £237,538) 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 2021 and the Directors consider the valuations to be reasonable.

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

Notes to the financial statements for the year ended 31 March 2021 (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.

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 £1,010,100 has been advanced. NESIC use these loans to invest directly into The North East Social Investment Fund (NESIF). The total advanced of £1,275,914 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 £478,000 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 2021 was £1,724,086. The £3,000,000 funds, less the provision, are listed within restricted funds and at the year end were £2,522,000. 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.

Notes to the financial statements for the year ended 31 March 2021 (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.

Notes to the financial statements for the year ended 31 March 2021 (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.

Notes to the financial statements for the year ended 31 March 2021 (continued)

2 Statement of Financial Activities prior year fund comparatives

	Unrestricted funds	Restricted funds	Endowment funds	**Total 2020**
	£	£	£	**£**
Income and endowments from:				
Donations and legacies	1,113,747	1,652,531	4,929,481	**7,695,759**
Charitable activities	52,300	-	-	**52,300**
Other trading activities	8,500	-	-	**8,500**
Investment income	1,143,490	1,152,160	-	**2,295,650**
Total income and endowments	2,318,037	2,804,691	4,929,481	**10,052,209**
Expenditure on:				
Raising funds	271,770	3,083	-	**274,853**
Investment management costs	-	-	254,181	**254,181**
Charitable activities	3,051,690	4,537,891	-	**7,589,581**
Total expenditure	3,323,460	4,540,974	254,181	**8,118,615**
Net (losses)/gains on investments	-	(115,597)	(7,369,817)	**(7,485,414)**
Net (loss)/income	(1,005,423)	(1,851,880)	(2,694,517)	**(5,551,820)**
Transfers between funds	1,417,943	1,221,510	(2,639,453)	-
Net movement in funds	412,520	(630,370)	(5,333,970)	**(5,551,820)**
Reconciliation of funds:				
Total funds brought forward	1,857,598	6,001,992	81,238,349	**89,097,939**
Total funds carried forward	2,270,118	5,371,622	75,904,379	**83,546,119**

Notes to the financial statements for the year ended 31 March 2021 (continued)

3 Charitable activities

	2021	2020
	£	£
Other charitable activities	**54,458**	52,300

4 Other trading activities

	2021	2020
	£	£
Other trading activities	**2,000**	8,500

5 Investment income

	2021	2020
	£	£
Dividends and interest from endowment fund assets	**1,901,769**	2,209,175
Interest receivable on cash deposits	**24,840**	86,475
	1,926,609	2,295,650

Notes to the financial statements for the year ended 31 March 2021 (continued)

6 Allocation of support costs, overheads and governance

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

	Raising funds	Charitable activities	**Total**	Total
			2021	2020
	£	£	**£**	£
Support staff costs	29,085	154,001	**183,086**	192,038
Governance staff costs	8,816	46,679	**55,495**	55,001
Overhead costs	32,047	133,136	**165,183**	327,277
Governance direct costs	3,540	18,743	**22,283**	25,280
	73,488	352,559	**426,047**	599,596

Included in overhead costs are the following:	**2021**	2020
	£	£
Auditors' remuneration – audit services	**7,650**	7,650
Depreciation	**32,555**	34,158
Loss on disposal of fixed assets	**-**	-

7 Costs of raising funds

	2021	2020
	£	£
Staff costs	**131,973**	144,482
Direct costs	**12,639**	16,457
Support costs (Note 6)	**73,488**	113,914
	218,100	274,853

Notes to the financial statements for the year ended 31 March 2021 (continued)

8 Charitable activities

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

	2021 £	2020 £
Grants payable	**7,144,993**	6,549,097
Staff costs	**505,048**	517,305
Direct costs	**38,892**	37,499
Support costs (Note 6)	**352,559**	485,680
	8,041,492	7,589,581

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

	2021 £	2021 Number	2020 £	2020 Number
Other charities and voluntary organisations	**7,126,415**	**1,251**	6,544,330	1,133
Individuals	**90,568**	**80**	90,215	123
Total new grants awarded in the year	**7,216,983**	**1,331**	6,634,545	1,256
Grants cancelled	**(71,990)**		(85,448)	
Total grant expenditure	**7,144,993**	**1,331**	6,549,097	1,256

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

Notes to the financial statements for the year ended 31 March 2020 (continued)

9 Staff costs

Staff costs comprise the following:	**2021**	2020
	£	£
Wages and salaries	**757,323**	784,136
Social security costs	**72,760**	76,519
Other pension costs	**45,519**	48,171
	875,602	908,826

The average number of employees, excluding Trustees/Board Directors, employed by the Group during the year was 24 (2020: 24), full time equivalent 19.57 (2020: 21.12). The ratio of the highest salary to the median salary was 2.4:1 (2020: 2.4:1). The gross salary in the year relating to the executive members of staff responsible for the day-to-day management of the Charity was £283,623 (2020: £286,101) plus £18,025 (2020: £18,295) 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 2020 and 5 April 2021 below:

	5 April 2021	5 April 2020
Mean gender pay gap	**12%**	14%
Median gender pay gap	**11%**	7%

None of the Trustees/Board Directors received any remuneration during the year (2020: Nil). None of the Directors received reimbursements for expenses during the year (2019: Nil).

During the year employees with emoluments over £60,000 were in the following bands:	**2021**	2020
	Number	Number
£60,000 to £70,000	**1**	2
£80,000 to £90,000	**1**	1

Notes to the financial statements for the year ended 31 March 2021 (continued)

10 Investments

Endowment fund investments - Group

At valuation	Listed investments £	Deposit & other cash balances £	Freehold property £	Total £
At 1 April 2020	72,330,178	2,995,235	381,000	75,706,413
Additions/movement in the year	14,509,269	(1,743,884)	-	12,765,385
Disposals in the year	(14,768,526)	-	-	(14,768,526)
Realised losses in the year	(28,351)	-	-	(28,351)
Unrealised gains in the year	16,741,261	-	(4,500)	16,736,761
At 31 March 2021	**88,783,831**	**1,251,351**	**376,500**	**90,411,682**
At cost				
At 31 March 2021	**69,699,317**	**1,251,351**	**266,500**	**71,217,168**
At 31 March 2020	70,339,900	2,995,235	266,500	73,601,635

Listed investments are detailed as follows:	2021 Market Value £	2020 Market Value £
UK Fixed Interest	**5,190,040**	5,768,818
UK Equities	**20,163,855**	18,128,696
Property	**1,380,581**	1,620,822
Overseas Fixed Interest	**2,277,484**	1,261,901
Overseas Equities	**33,073,554**	24,020,726
Collective Investment Schemes	**19,868,001**	15,833,559
Other	**6,830,316**	5,695,656
	88,783,831	72,330,178

Notes to the financial statements for the year ended 31 March 2021 (continued)

10 Investments (continued)

Programme Related Investments – Charity and Group

	Total
	£
Loaned amounts	
At 1 April 2020	1,155,972
Advances during the year	119,942
Repayments	-
At 31 March 2021	**1,275,914**
Provisions	
At 1 April 2020	310,706
Provided against during the year	167,294
Provision released during the year	-
At 31 March 2021	**478,000**
Net loaned amounts	
At 31 March 2021	**797,914**
At 31 March 2020	845,266

Endowment fund investments - Charity

At valuation	**Listed investments £**	**Deposit & other cash balances £**	**Freehold property £**	**Total £**
At 1 April 2020	69,964,094	2,995,235	381,000	73,340,329
Additions/movement in the year	13,946,677	(1,743,884)	-	12,202,793
Disposals in the year	(14,246,310)	-	-	(14,246,310)
Realised losses in the year	(29,486)	-	-	(29,486)
Unrealised gains in the year	16,173,665	-	(4,500)	16,169,165
At 31 March 2021	**85,808,640**	**1,251,351**	**376,500**	**87,436,491**
At cost				
At 31 March 2021	**67,366,913**	**1,251,351**	**266,500**	**68,884,764**
At 31 March 2020	68,045,879	2,995,235	266,500	71,307,614

Notes to the financial statements for the year ended 31 March 2021 (continued)

10 Investments (continued)

Listed investments are detailed as follows:	2021 Market Value £	2020 Market Value £
UK Fixed Interest	**4,952,167**	5,478,954
UK Equities	**19,198,542**	17,313,556
Property	**1,291,844**	1,518,195
Overseas Fixed Interest	**2,277,484**	1,261,901
Overseas Equities	**31,763,642**	23,057,325
Collective Investment Schemes	**19,639,065**	15,732,468
Other	**6,685,896**	5,601,695
	85,808,640	69,964,094

Other investments – Charity

At cost and valuation	Unlisted investments £
At 1 April 2020	**100**
At 31 March 2021	**100**

Unlisted investments held by the charity relate to £100 (2020: £100) investment in the subsidiary company Tyne & Wear Foundation Limited at cost. At 31 March 2021 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 £2,522,000 (note 17) (2020: £2,689,294) 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 2021 was £1,724,086 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 £83,412 for the full group (2020: £28,440). No single investment accounts for more than 5% of the endowment fund investments.

Notes to the financial statements for the year ended 31 March 2021 (continued)

11 Tangible fixed assets

Group and Charity

	Land & Buildings £	Furniture & equipment £	Office improve-ments	Total £
Cost				
At 1 April 2020	750,000	101,762	33,472	885,234
Additions	-	4,576	-	4,576
Disposals	-	(20,600)	-	(20,600)
At 31 March 2021	**750,000**	**85,738**	**33,472**	**869,210**
Accumulated Depreciation				
At 1 April 2020	78,750	62,406	16,283	157,439
Charge for the year	15,000	14,207	3,348	32,555
Disposals	-	(20,600)	-	(20,600)
At 31 March 2021	**93,750**	**56,013**	**19,631**	**169,394**
Net book value				
At 31 March 2021	**656,250**	**29,725**	**13,841**	**699,816**
At 31 March 2020	671,250	39,356	17,189	727,795

12 Debtors

	Group 2021 £	Group 2020 £	**Charity 2021 £**	Charity 2020 £
Other debtors	**2,887,750**	16,725	**2,887,750**	16,725
Dividends and interest receivable	**59,112**	60,500	**54,042**	52,875
	2,946,862	77,225	**2,941,792**	69,600

Other debtors include two outstanding legacies which were known at the year end totalling £2,870,617. Since the year end £2,810,617 of the debtor has been received.

Notes to the financial statements for the year ended 31 March 2021 (continued)

13 Creditors: amounts falling due within one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Other creditors and accruals	**320,763**	275,428	**320,763**	275,428
Taxation and social security costs	**23,820**	20,833	**23,820**	20,833
Grants payable	**643,129**	1,041,705	**643,129**	1,033,356
	987,712	1,337,966	**987,712**	1,329,617

Other creditors include amounts totalling £127,390 (2020: £63,060) 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.

14 Creditors: amounts falling due after more than one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Other creditors and accruals	**869,350**	933,680	**869,350**	933,680

Other creditors relates 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.

15 Taxation

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

	2021 £	2020 £
Corporation tax payable	-	-

Notes to the financial statements for the year ended 31 March 2021 (continued)

16 Endowment funds

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

	Group	Charity
	£	£
At 1 April 2020	75,904,379	73,414,960
Transfers between funds:		
Total returns endowment withdrawal	(2,712,850)	(2,712,850)
Transfers to endowment from income funds	17,518	17,518
Exceptional withdrawal from endowment funds	(50,000)	(50,000)
Net gain before transfers	20,247,648	19,691,552
At 31 March 2021	**93,406,695**	**90,361,180**

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 £2,712,850 (including Community First indexed gain withdrawal) and is shown as a transfer from the endowment fund. A withdrawal of £5,000 was made from the Jeremy Beecham Schools Fund and a withdrawal of £45,000 was made from the Chronicle Sunshine Fund, all of which were used to cover grant-making commitments during the year.

Notes to the financial statements for the year ended 31 March 2021 (continued)

17 Income funds - restricted

The Community Foundation receives income and donations both for general charitable purposes and also for more specific areas and issues. All grants are approved by the Board in consultation with people and companies who have set up funds within the Community Foundation for grant-making. Funds are deemed to be restricted either if they have been donated for a specific purpose or appeal, or if the donor has made a request that they are applied in one area or field. Since the year end the funds in deficit at 31 March 2021 have received sufficient funds to return them to credit.

	At 1 April 2020 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2021 £
#iwll	6,835	-	5,000	-	1,835
Frank Acfield	-	926	-	-	926
Akzo Nobel International Paint	3,325	16,830	16,159	1,300	2,696
Akzo Nobel International Paint Community First	-	-	-	-	-
Abbot Memorial Grants	1,100	-	-	-	1,100
Asian	-	5,487	780	-	4,707
Stuart Ayre	-	1,765	1,765	-	-
Nancy Barbour Award	9,126	5,269	10,000	-	4,395
Jeremy Beecham Schools	500	667	6,000	(5,000)	167
Bellingham	3,366	2,481	3,110	-	2,737
Berwick Academy Endowment	19,640	8,518	-	-	28,158
Blackett Family Community First	(1)	3,843	-	3,842	-
EDF Energy Blyth Offshore Demonstrator Wind Farm Community Benefit	(33,360)	124,374	51,529	11,307	28,178
Enid Blyton Fund for Seven Stories	-	43,654	43,654	-	-
Bowey Community First	923	(923)	-	-	-
Ron & Louise Bowey Grassroots	(236)	12,682	7,386	-	5,060
Carolyn and Tony Brookes	941	2,744	3,500	-	185
Burnell Community First	-	-	-	-	-
Lawrence Campbell Community First	1,069	2,806	-	-	3,875
Canford Audio	679	477	1,000	-	156
Capacitybuilders CPP	5,458	-	0	-	5,458
Chapman	25,288	23,695	25,140	-	23,843
Chronicle Sunshine	-	10,150	55,150	(45,000)	-
Comic Relief Community Cash	45	-	-	45	-
Comic Relief Local Communities	1	-	-	1	-
The Community Infrastructure Levy (CIL)	35,704	-	35,704	-	-
Sir Tom Cowie	84,047	68,619	48,088	-	104,578
Abigail & Stephen Crampton	1,371	1,705	2,500	-	576
CrecheMobile	-	36,651	-	3,000	33,651
Culture Bridge	6	6,907	6,600	-	313
The Louise Dalton	-	305	-	-	305
Duncan & Sarah Davidson	29	5,715	4,000	-	1,744
Pamela and Dorothy Denham	1,417	2,424	1,392	2,449	-
Carried forward	167,273	387,771	328,457	(28,056)	254,643

Notes to the financial statements for the year ended 31 March 2021 (continued)

17 Income funds - restricted (continued)

	At 1 April 2020	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2021
	£	£	£	£	£
Brought forward	167,273	387,771	328,457	(28,056)	254,643
Pamela Denham Community First	-	-	-	-	-
Pamela Denham Grassroots	1,139	470	-	1,363	246
David Dockray's West End Young People's	(56)	42,938	42,189	-	693
Dream Jar	3,034	1,851	3,250	-	1,635
Andrew and Charlotte Dixon	915	1,208	1,800	-	323
The Edwin John Easydorchik Travelling Scholarship	7,724	5,336	-	-	13,060
Enviresearch	20,591	10,000	9,871	1,000	19,720
Evangelical	26,253	7,792	28,345	-	5,700
Express Enterprise	153	1,095	0	-	1,248
FARNE	17,954	22,425	30,284	-	10,095
David & Gitta Faulkner	2,639	1,915	4,000	-	554
Fausta and Rosemary Community First	-	-	-	-	-
Fergusons of Blyth	1,147	7,191	-	-	8,338
Fogo Community First	-	-	-	-	-
Gateshead Thrive	10,529	-	10,000	-	529
David Goldman Awards	-	27,630	27,630	-	-
Allison Greenlees Continuation	-	5,706	3,000	-	2,706
The EDF Energy Green Rigg Wind Farm Community Benefit	4,050	40,624	35,065	9,075	534
The EDF Energy Renewables Barmoor Windfarm Community Benefit	11,759	144,495	41,105	13,136	102,013
Jackie Haq Fund for Scotswood	859	1,952	1,500	-	1,311
Henderson Family	-	609	-	-	609
Heyman Travelling Scholarships	8,301	9,495	-	-	17,796
Joy Higginson	3,227	1,277	-	-	4,504
High Sheriff of Northumberland	22,604	50,854	36,250	(250)	37,458
Hokey Cokey Community First	-	-	-	-	-
Hoult Family Community First	-	-	-	-	-
Hoult Family Grassroots	3,098	2,436	3,000	-	2,534
The HunterPemberton Community First	2,379	2,051	1,000	-	3,430
JesDesStaff	-	726	-	-	726
RWE Renewables UK Kiln Pit Hill Wind Farm Community	5,860	19,772	20,993	1,798	2,841
Josephs Family	965	1,233	-	-	2,198
JPMorgan	2,414	2,266	2,403	-	2,277
Kellett	422,041	350,929	335,818	-	437,152
Kerry Community First	429	1,259	1,000	-	688
Kerry Grassroots	2,563	3,036	-	-	5,599
June King	3,934	3,697	3,700	-	3,931
Latterford	378	647	-	-	1,025
Carried forward	754,156	1,160,686	970,660	(1,934)	946,116

Notes to the financial statements for the year ended 31 March 2021 (continued)

17 Income funds - restricted (continued)

	At 1 April 2020	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2021
	£	£	£	£	£
Brought forward	754,156	1,160,686	970,660	(1,934)	946,116
Lendrum Community First	399	1,736	-	-	2,135
Capt. C.D. Leyland	5,954	3,799	4,200	-	5,553
Linden Community First	-	0	-	-	-
Local Environmental Action	47,856	13,028	5,766	-	55,118
George Loggie	1,100	1,154	2,238	-	16
Lady Betty Martin Fund within the North East Fund for the Arts	513	7,746	3,713	-	4,546
Grigor McClelland Community First	804	-	-	-	804
Moor	1,682	1,587	3,269	-	-
Nash	-	9,552	4,568	-	4,984
NEF Grassroots	1,683	1,577	-	-	3,260
NET Coronavirus Appeal	50,000	1,122,724	1,044,483	73,636	54,605
NET DCMS Big Night In match	-	415,096	393,896	21,200	-
Newcastle Culture Investment	51,205	628,630	623,383	22,500	33,952
Newcastle Dispensary Relief in Sickness	-	74,505	-	7,207	67,298
North East Endowment for Musical Traditions	3,394	5,787	-	-	9,181
North East Fund for the Arts	6,440	5,147	4,184	-	7,403
North East Social Investment	2,689,294	-	-	167,294	2,522,000
Northern Angel Fund for Berwick	623	24,559	19,589	-	5,593
Northern Powergrid Community Energy Seed	562	-	-	562	-
Northern Rock Foundation Legacy Grants	11,510	-	-	11,510	-
North Tyneside	26	1,654	-	-	1,680
Northumberland Group	33,747	31,618	33,596	-	31,769
Northumberland Village Homes Trust	-	174,766	108,993	7,994	57,779
Northumberland Wildlife Trust	-	1,667	1,667	-	-
Out & About	5,623	4,987	(556)	-	11,166
The Pargiter Trust	-	50,000	45,000	5,000	-
Anne & David Parker	-	10,000	9,000	1,000	-
Partnership programme	65,341	-	-	-	65,341
Patch	23,542	14,318	30,000	-	7,860
Pea Green Boat Community First	(1,555)	29,032	26,791	-	686
Pen & Palette Club Fund within the North East Fund for the Arts	5,669	4,531	4,900	-	5,300
Percy Family	78	8,683	5,500	-	3,261
Philanthropy House	749,893	-	-	-	749,893
Platten Family Community First	463	-	-	-	463
Prudhoe League of Friends	-	3,468	-	-	3,468
Geoffrey and Ann Purves	-	1,127	700	427	-
Ray Wind Farm Small Grants Programme	100,631	2,074	88,870	10,000	3,835
Readman Community First	-	-	-	-	-
Carried forward	4,610,633	3,815,238	3,434,410	326,396	4,665,065

Notes to the financial statements for the year ended 31 March 2021 (continued)

17 Income funds - restricted (continued)

	At 1 April 2020	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2021
	£	£	£	£	£
Brought forward	4,610,633	3,815,238	3,434,410	326,396	4,665,065
Readman Family Grassroots	22,656	66,253	79,440	-	9,469
Readman Foundation	61,355	-	28,000	2,800	30,555
Carrie Reay Grassroots	3,050	3,644	1,060	-	5,634
REEDS Community First	-	-	-	-	-
REEDS Grassroots	22,309	24,421	21,815	-	24,915
Riddell Family Community First	3,240	15,221	11,442	-	7,019
Riding Grange Grassroots	2,029	3,059	2,900	-	2,188
Jane Robertson Alnwick	3,917	3,914	2,000	-	5,831
Roseline Foundation	-	100,000	-	8,750	91,250
Brian Roycroft	6,239	19,828	10,401	-	15,666
RWE Innogy UK Middlemoor Wind Farm Community	73,498	106,544	54,513	21,587	103,942
Sage Gateshead	-	663,698	663,698	-	-
Smail Family	748	4,221	4,505	-	464
Henry Smith Charity	26,100	(40,506)	(14,406)	-	-
Sowler Family UK Charitable	-	37,500	33,000	4,500	-
Spriggs Family Community First	-	-	-	-	-
Shohba & Trikoli Srivastava Community First	679	210	-	298	591
Sunderland Industrial & Reformatory School	1,154	1,186	800	-	1,540
Suz Grassroots	1,670	1,564	-	-	3,234
Taylor	9,493	18,961	28,454	-	-
Third Sector Trends	(1,007)	20,000	-	-	18,993
Thornton Family Grassroots	1,348	3,772	3,100	500	1,520
Three Valleys	2,827	11,057	-	13,884	-
Tiny Lives	-	91,401	91,401	-	-
Tyne & Wear High Sheriff Awards	17,204	57,376	57,750	(250)	17,080
Tyne & Wear High Sheriff Community First	-	-	-	-	-
Tyne & Wear Grassroots	842	791	839	-	794
Ventient Sisters North Steads Wind Farm Community Benefit	46,674	297,034	94,600	28,304	220,804
Vicky F Grassroots	849	1,311	-	-	2,160
Virgin Money	2,129	3,383	4,000	-	1,512
Vital Gateshead	12,080	7,361	11,500	-	7,941
Vital Newcastle	13,905	5,448	12,500	-	6,853
Vital North Tyneside	5,022	1,526	5,037	-	1,511
Vital Northumberland	22,233	17,521	22,000	-	17,754
Vital South Tyneside	4,930	1,387	5,000	-	1,317
Vital Sunderland	17,632	6,677	16,055	-	8,254
Ted Weekes	13,356	12,520	9,941	-	15,936
The Wellesley Trust	214,015	274,178	425,992	10,000	52,200
The Wellesley Trust Community First	-	-	-	-	-
The 1989 Willan Charitable Trust	-	263,231	231,742	12,341	19,148
Carried forward	5,222,809	5,920,930	5,353,489	429,110	5,361,140

Notes to the financial statements for the year ended 31 March 2021 (continued)

17 Income funds - restricted (continued)

	At 1 April 2020	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2021
	£	£	£	£	£
Brought forward	5,222,809	5,920,930	5,353,489	429,110	5,361,140
Mark and Ian Wilson Family	2,038	2,193	1,500	-	2,731
Wood	2,575	6,928	7,100	-	2,403
CH Wood	-	4,783	-	-	4,783
Women's	10,879	31,109	40,500	3	1,485
Women's Community First	-	-	-	-	-
Young Musician's	1,677	6,276	4,835	-	3,118
Total Community Foundation	**5,239,978**	**5,972,219**	**5,407,424**	**429,113**	**5,375,660**
Joseph Brough Charitable Trust	73,969	39,007	78,447	30	34,499
Tyne and Wear Foundation Trust	57,705	17,545	3,056	-	72,194
Tyne & Wear Foundation Limited	(30)	-	-	-	(30)
Total Group	**5,371,622**	**6,028,771**	**5,488,927**	**429,143**	**5,482,323**

Income and transfers include credits of £1,405,523 transferred from the main and ethical endowment funds to distribute as income on a total returns basis and £30,500 of other transfers. Other outgoings include transfers between funds of £279,361, net transfer credit from endowment of £32,482, amortisation of Programme Related Investments of £167,294 and other fund expenses of £14,940.The Women's Fund includes income from People of Ward Hadaway in memory of Sue Watts fund, Fausta and Rosemary Community First fund and Pamela and Dorothy Denham fund, Brian Roycroft fund includes income from the Tessa Hide fund, Local Environmental fund includes income from Ivy and Gilbert Purvis fund and Sandra King Rainy Day fund, and High Sheriff of Northumberland Youth fund includes income from the Burnell Family and Community First funds.

18 Income funds - unrestricted

As well as a general administrative unrestricted fund (included below for completeness) the Community Foundation holds the following designated funds which the Directors regard as unrestricted because they are used for general charitable purposes in the Community Foundation's area of benefit although grants may still be made on recommendations from the donor. The funds are to be used for grant-making and grants are awarded throughout the year when committees meet and make recommendations to the Board. Since the year end the funds in deficit at 31 March 2021 have received sufficient funds to return them to credit.

	At 1 April 2020	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2021
	£	£	£	£	£
Adderstone	394	11,615	10,000	-	2,009
Anonymous	4,639	3,118	-	-	7,757
Appletree	2,304	25,013	20,070	3,250	3,997
Ashington Community Development Trust	2,909	3,615	2,404	-	4,120
Barley Hill	-	3,723	-	-	3,723
Barnes	3,028	7,241	9,000	-	1,269
Christopher Beadle	6,017	5,108	7,540	-	3,585
Charles Robert Bell	(961)	13,681	12,720	-	-
John Bell	52,444	62,929	62,443	-	52,930
Bellway	3,552	2,879	3,263	-	3,168
Sara Alexandra Bernstone	57	4,743	4,000	-	800
Carried forward	74,383	143,665	131,440	3,250	83,358

Notes to the financial statements for the year ended 31 March 2021 (continued)

18 Income funds - unrestricted (continued)

	At 1 April 2020	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2021
	£	£	£	£	£
Brought forward	74,383	143,665	131,440	3,250	83,358
Bonas Machine Company	794	1,804	2,000	-	598
Ron and Louise Bowey	41,171	36,626	35,720	22,947	19,130
Dawn Brown	1,011	1,333	-	-	2,344
Stephen Byers	2,199	7,551	2,920	-	6,830
The Muriel Campbell	-	1,421	-	-	1,421
Carr-Ellison Charitable Trust	6,370	10,334	9,750	-	6,954
Carroll Savage	-	5,815	-	-	5,815
Chrysalis	1,728	1,849	-	-	3,577
Daphne & Martin Cookson	61	4,995	4,000	-	1,056
Roland Cookson	-	68,013	68,013	-	-
Roland Cookson Community	(3,434)	19,140	10,500	6,015	(809)
Coquet	-	30,000	10,729	3,600	15,671
Coronavirus Response and Recovery	448,234	691,837	229,258	35,082	875,731
Crozier	-	2,235	-	2,235	-
Curtain PARP	10,753	43,754	22,298	-	32,209
John D Endowment	(98)	12,925	15,000	-	(2,173)
Dickon Trust	9,873	71,190	80,432	-	631
Elgon	2,093	1,077	-	-	3,170
Fogo	7,760	32,602	21,500	-	18,862
Gateshead Housing Company Community	939	60	1,000	(1)	-
George and Peggy	1,443	5,346	-	-	6,789
The Giving Network	10,121	19,686	19,615	977	9,215
Margaret and Dorothy Gordon Memorial	297	1,177	750	-	724
Groves Family	3,334	5,133	1,000	-	7,467
Michael and Christine Heppell	3,750	3,133	500	-	6,383
The Hokey Cokey (that's what it's all about)	1,734	3,067	1,000	-	3,801
I'Anson Family	1,450	2,701	1,400	-	2,751
If only…	156	1,486	1,500	-	142
Sir James Knott	-	2,051	2,051	-	-
John Laing	722	5,049	1,440	-	4,331
William Leech Charity	7,460	22,089	-	-	29,549
Leech Challenge	-	3,250	-	-	3,250
Linden Family	(1,691)	92,547	96,861	-	(6,005)
FB & PFB Lough	34,825	100,327	130,987	-	4,165
Grigor McClelland	9,276	13,930	10,000	-	13,206
Daisy Marr	6,652	28,557	22,479	-	12,730
Maudslay Family	2,636	2,310	4,245	-	701
G S May Family	3,761	5,768	4,500	500	4,529
McIntosh	1,402	1,392	-	1,710	1,084
Milburn Briel	-	3,481	2,500	--	981
Muckle LLP	6,332	37,866	19,348	3,180	21,670
Newcastle Brown Ale	2,582	4,887	-	7,469	-
Newcastle Building Society Community	11,535	284,384	256,906	23,357	15,656
Carried forward	711,614	1,837,843	1,221,642	110,321	1,217,494

Notes to the financial statements for the year ended 31 March 2021 (continued)

18 Income funds - unrestricted (continued)

	At 1 April 2020 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2021 £
Brought forward	711,614	1,837,843	1,221,642	110,321	1,217,494
Emma Newton	2,652	4,898	4,510	-	3,040
North East Brewers	6,531	6,134	6,500	-	6,165
Northern Powergrid	(79)	16,395	16,316	-	-
Northumbrian Water	-	5,946	5,909	-	37
Opencast Charitable	-	50,000	27,000	5,000	18,000
Pattinson Estate Agents	4,909	6,493	8,500	-	2,902
Philanthropy North East Story	(2,104)	2,104	-	-	-
Platten Family	322,316	76,703	57,207	5,566	336,246
PricewaterhouseCoopers	1,754	1,821	3,125	-	450
Prime	(1,983)	27,603	23,644	-	1,976
Proudfoot Family	31	1,364	-	-	1,395
P&G	1,559	55,231	56,570	-	220
Guy Readman endowment	273,931	125,416	59,000	-	340,347
Ringtons	14,757	48,277	24,625	23,000	15,409
Rolls-Royce	2,699	2,534	-	-	5,233
St Cuthbert's	9,417	2,052	-	-	11,469
Johnnie & Tricia Smith and Family	660	4,044	1,000	-	3,704
Barry & Faga Speker	721	1,211	800	-	1,132
Spriggs Family	354	1,097	1,450	-	1
Squires Foundation	2,611	57,806	50,035	6,363	4,019
Shobha and Triloki Srivastava Grassroots	1,074	2,527	-	-	3,601
Star	7,688	9,616	11,000	-	6,304
TESS	1,411	3,017	-	-	4,428
Brian & Margaret Thompson	295	3,938	1,733	-	2,500
Treeline	224	3,896	4,000	-	120
Vaux	8,677	8,148	8,636	-	8,189
Ward Hadaway	485	4,782	-	1,740	3,527
Watkin Family	11,319	27,648	38,886	-	81
Watson Family	1	-	-	1	-
Weightman	1,610	2,555	3,000	150	1,015
Welch Family	1,277	1,300	-	1,897	680
Wide Open Road	-	5,789	4,000	-	1,789
Willis Charitable	459	1,011	-	-	1,470
The Lucy Winskell	-	1,126	1,126	-	-
Winter Family	4,506	15,335	19,860	-	(19)
Robert Wood Trust	(520)	4,320	3,992	-	(192)
Other general grant-making funds	244,158	319,388	(8,000)	187,835	383,711
Total designated funds	1,635,014	2,749,368	1,656,066	341,873	2,386,443
Administrative fund	635,104	1,251,051	-	1,108,386	777,769
Total Community Foundation	**2,270,118**	4,000,419	1,656,066	1,450,259	**3,164,212**
Total Group	**2,270,118**	**4,000,419**	**1,656,066**	**1,450,259**	**3,164,212**

Income and transfers include £1,307,327 transferred from the main and ethical endowment funds to distribute as income on a total returns basis and £599,491 of other transfers. Other outgoings and transfers consist of £350,630 transferred between funds, £875,602 staff costs, £8,252 designated fund expenses and other net administrative costs of £215,775.

Notes to the financial statements for the year ended 31 March 2021 (continued)

18 Income funds - unrestricted (continued)

A number of funds contribute to the Community Foundation's general unrestricted grant funds, including Crosshatch, Crozier, Tony Follows Legacy, Ian and Jane Gregg, Greggs plc, Sir James Knott Trust, Mitford, Templeton, Tolent, Tyne Tees Television, and two anonymous funds. 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 11 acorn funds at the year end, a number of which currently donate their income to other funds and they will appear in the above analysis once they reach maturity.

19 Analysis of net assets between funds

Group

	Unrestricted funds	Restricted funds	Endowment funds	**2021 Total**
	£	£	£	**£**
Investments	-	797,914	90,411,682	**91,209,596**
Tangible fixed assets	43,566	656,250	-	**699,816**
Current assets	3,345,536	5,524,957	3,130,387	**12,000,880**
Current liabilities	(224,890)	(627,448)	(135,374)	**(987,712)**
Creditors due after one year	-	(869,350)	-	**(869,350)**
Total net assets	3,164,212	5,482,323	93,406,695	**102,053,230**

Charity

	Unrestricted funds	Restricted funds	Endowment funds	**2021 Total**
	£	£	£	**£**
Investments	-	798,014	87,436,491	**88,234,505**
Tangible fixed assets	43,566	656,250	-	**699,816**
Current assets	3,345,536	5,418,194	3,060,063	**11,823,793**
Current liabilities	(224,890)	(627,448)	(135,374)	**(987,712)**
Creditors due after one year	-	(869,350)	-	**(869,350)**
Total net assets	3,164,212	5,375,660	90,361,180	**98,901,052**

Notes to the financial statements for the year ended 31 March 2021 (continued)

20 Pensions

The Community Foundation contributes to a defined contribution group pension scheme for all staff. The assets of the schemes are held separately from those of the Community Foundation in independently administered funds. The pension charge represents contributions by the Community Foundation to the funds and amounted to £45,519 (2020: £48,171). There were no outstanding contributions at 31 March 2021 (2020: Nil).

21 Subsidiary company and charities

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

Tyne & Wear Foundation Limited - wholly owned subsidiary

Joseph Brough Charitable Trust - sole trustee

Tyne and Wear Foundation Trust - sole trustee

As permitted by section 408 of the Companies Act 2006, and by paragraph 422 of the Statement of Recommended Practice 2005, no separate company Statement of Financial Activities has been presented for the Community Foundation serving Tyne and Wear and Northumberland within these financial statements. The Company's gross income for the year was £10,405,940 (2020: £10,052,209) and its net income for the year was £17,975,996 (2020: net loss £5,254,228) after the addition of gains on investments of £15,972,385 (2020: losses £7,140,070).

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 (2019: nil). A summary of results of the subsidiary company is shown below:

	Total 2021	Total 2020
	£	£
Turnover	-	-
Cost of sales	-	-
Operating profit	-	-
Administrative costs	-	-
Net profit	-	-

Notes to the financial statements for the year ended 31 March 2021 (continued)

21 Subsidiary company and charities (continued)

The aggregate of the assets and liabilities was:	**Total 2021 £**	Total 2020 £
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 2021 £	Total 2020 £
Investment income	**43,945**	60,702
Donations and legacies	**62**	-
Charitable activities	**(83,477)**	(15,030)
Investment management costs	**(7,120)**	(7,529)
Gains/(losses) on investments	**408,381**	(232,564)
Net movement in funds	**361,791**	(194,421)

The aggregate of the assets, liabilities and funds was:

	Total 2021 £	Total 2020 £
Assets	**2,210,378**	1,856,936
Liabilities	**-**	(8,349)
Funds	**2,210,378**	1,848,587

Notes to the financial statements for the year ended 31 March 2021 (continued)

21 Subsidiary company and charities (continued)

Represented by:	Total 2021 £	Total 2020 £
Permanent endowment fund	**2,175,879**	1,774,618
Restricted funds	**34,499**	73,969
Funds	**2,210,378**	1,848,587

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 2021 £	Total 2020 £
Investment income	**21,891**	27,904
Investment management costs	**(5,515)**	(6,731)
Charitable activities	**(7,402)**	(11,564)
(Losses)/gains on investments	**160,350**	(112,780)
Net movement in funds	**169,324**	(103,171)

The aggregate of the assets, liabilities and funds was:

	Total 2021 £	Total 2020 £
Assets	**941,830**	772,506
Liabilities	**-**	-
Funds	**941,830**	772,506

Notes to the financial statements for the year ended 31 March 2021 (continued)

21 Subsidiary company and charities (continued)

Represented by:	Total 2021 £	Total 2020 £
Permanent endowment fund	**869,636**	714,801
Restricted funds	**72,194**	57,705
Funds	**941,830**	772,506

22 Related party transactions

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

During the year Directors and their associated companies donated a total of £273,715 (2020: £1,791,548) to Community Foundation named endowment and revenue funds, and £1,330 (2020: £1,572) was donated by members of the Executive Staff Team.

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

Organisation	Director/employee involved	Relationship	Total grants £
Charlotte Straker Project	Lady Blackett	Trustee	82,813
Derwenthaugh Boat Station	Lucy Winskell OBE	Honorary President	6,750
Newcastle Carers	Sandra King	Volunteer Mentor	6,000
Newcastle upon Tyne Hospitals NHS Foundation Trust	Jill Baker	Non-Executive Director	54,000
New Writing North	Claire Malcolm	Employee	20,000
North East Theatre Trust	Lucy Winskell OBE	Trustee	11,126
Northumberland Wildlife Trust	Sandra King	Wildlife Ambassador	9,398
November Club	Rob Williamson	Trustee	5,626
Voluntary Organisations Development Agency, North Tyneside	Robin Fry	Employee	40,000

Notes to the financial statements for the year ended 31 March 2020 (continued)

23 Cash flow information for the Group

Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income/(deficit) for the year	**18,507,111**	(5,551,820)
Adjustments for:		
Receipt of endowment	**(3,776,143)**	(4,929,481)
Depreciation charges	**32,555**	34,158
(Gains)/loss on endowment investments	**(16,708,410)**	7,369,817
Loss on disposal of fixed assets	**-**	-
Losses on programme related investments	**167,294**	115,597
Dividends and interest from investments	**(1,926,609)**	(2,295,650)
(Increase)/decrease in debtors	**(2,869,637)**	24,815
Decrease in creditors	**(414,584)**	(1,374,681)
Net cash used in operating activities	**(6,988,423)**	(6,607,245)

Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	**3,516,638**	2,430,132
Short-term deposits	**5,537,380**	6,030,934
Total cash and cash equivalents	**9,054,018**	8,461,066

24 Ultimate controlling party

The Directors do not consider that the Community Foundation (Charity) has an ultimate controlling party because the Community Foundation has a large and wide-ranging membership who elect the Board and would be required to agree any changes to the Memorandum and Articles. Due to the structure of the Community Foundation (Charity) the group also does not have an ultimate controlling party.