

Community Foundation

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

Annual financial statements for the year ended 31 March 2020

Registered company number 02273708

Registered charity number 700510

Community Foundation
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Annual financial statements
for the year ended 31 March 2020
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Community Foundation

serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2020

Introduction

The Board present their report and the audited consolidated financial statements for the year ended 31 March 2020.

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.

Community Foundation
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Annual report for the year ended 31 March 2020 (continued)

Advisers

Independent Auditors

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

Main Bankers

Barclays Bank PLC
Newcastle Corporate Services
Barclays House
5 St. Ann's Street
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Newcastle upon Tyne
NE1 3DX

Investment Managers

Rathbone Investment Management Limited
Earl Grey House
75-85 Grey Street
Newcastle upon Tyne
NE1 6EF

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

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

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

Solicitors

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

Annual report for the year ended 31 March 2020 (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.

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serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2020 (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	(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	
Anna, Lady Blackett co-opted December 2015	(Inv)
Michael Brodie co-opted February 2020	
Robin Fry appointed December 2020	
Andrew Haigh elected December 2016	(Inv)
Claire Malcolm co-opted March 2019	(G,F&A)
Patrick Melia appointed December 2016 to represent statutory authorities	(Inv)
Laura Warwick appointed November 2018	
Neil Warwick OBE co-opted December 2015, elected November 2016	(Inv)
Lucy Winskell OBE elected December 2016	(G,F&A)
Sally Young elected October 2014, retired November 2019	

Annual report for the year ended 31 March 2020 (continued)

Structure, governance and management (continued)

Fiona Cruickshank will retire at the 2020 Annual General Meeting having served 9 years. However, the Board has decided to re-co-opt her for one year from December 2020 to provide continuity in the chair role during and after the Coronavirus crisis.

The Board also appoints a President, Vice Presidents and Patrons in recognition of their distinguished service to the community or contributions to the Community Foundation. These are honorary positions with no formal powers or duties. The Board reviewed appointments in June 2015. The current office holders are listed in the yearbook and on the Community Foundation's website.

The liability of the members for the debts and liabilities of the company is limited and in the event of the company being wound up would not exceed £1 per member.

The Board has a scheme of delegation which details areas where the Board has, in accordance with the Memorandum and Articles of Association, delegated decisions to individual trustees, to sub-committees or task groups or to the executive team. The scheme of delegation also covers those matters always reserved for the full membership and the full Board. The delegated areas are segmented into the following categories: governance, audit & risk, operations and finance, investment, and philanthropy and funding.

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

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

At the year-end there was a total of 23 staff (full time equivalent 20.69).

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

Community Foundation

serving Tyne & Wear and Northumberland

Annual report for the year ended 31 March 2020 (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

2019-20 was the final year of the Community Foundation's 2016-20 strategy which set out the Board's intent to be awarding grants totalling £10m a year by 2025 through building endowment assets to £100m and continuing to draw in significant revenue and programme funds.

Community Foundation

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Annual report for the year ended 31 March 2020 (continued)

Strategic report (continued)

Achievements and performance (continued)

Achievements during 2019-20 against the strategic outcomes and aims as reviewed by the Board in March 2020 are set out below. More detailed descriptions of activities and their impact are included in the Community Foundation's yearbook.

Philanthropy and giving

- £4.9m in endowment gifts and £1.4m in revenue gifts were received.
- 8 new funds were established.
- 7 new legacy notifications were received.
- Ran the first live Giving Network event which saw £16,000 going to local causes.
- Became the first charity to receive dormant assets via the Reclaim Fund's alternative scheme, with £1m transferred into the Newcastle Building Society Community Fund's endowment.
- Launched a Coronavirus Response and Recovery Fund.

Funding and support

- 1,256 grants (2019: 1,515) totalling £6.63m (2019: £7.80m) were awarded, less than the target of £7.7m. As a result of the Covid-19 pandemic and subsequent lock down in March, a number of grant-making rounds were delayed that normally took place in March, impacting on the overall grants figure. The majority continued to be for amounts of under £5,000 and to provide practical support for small groups. The grants total includes programmes run in partnership with other funders, including £1.20m with the Henry Smith Charity (the last year of this long-standing arrangement). The table below shows the breakdown by fund type.

Fund type	No of grants	Total awards
Individual and family funds	419	1,603,289
Corporate funds	338	1,165,276
Charity and trust funds	157	497,163
Theme and affinity funds	214	572,937
Programme and partnership funds	104	1,907,515
Agency funds (benefiting a named organisation)	24	888,365
Total grants awarded by the full Group	1,256	6,634,545

- Success rates for applications fell to 53% from 60% in 2019.
- 6 'Time to Talk' sessions for grantees were held, 3 "Time to Listen" sessions on the theme of diversity and inclusion, and 7 funding events attended.
- Funding was delivered for partners including Newcastle and Gateshead Councils.
- Grant-making support services were delivered for 1989 Willan Charitable Trust, Ridley Family Charity and the Bernicia Foundation.
- 13 trustee matches made through our brokerage scheme.

Community Foundation

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Annual report for the year ended 31 March 2020 (continued)

Strategic report (continued)

Achievements and performance (continued)

Knowledge, leadership and profile

- Published a *Vital Signs* report on food poverty
- Ran a series of ‘#poweredbyphilanthropy’ events on the theme of diversity and inclusion.
- Ran a further round of the Growth and Resilience Fund as a partnership with Northstar Foundation, County Durham Community Foundation and Mercers Company.
- Published *Third Sector Trends* research on funder collaboration in North East England.
- Partnered in North East Funders network and North East Fundraising Conference.

Governance and operations

- Developed and successfully launched a new grants/donor/CRM system using Salesforce. Developed an integration model for finance activities with Accounts IQ which was launched 1 April 2020.
- 81% of core costs covered by fund contributions
- Achieved silver 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.

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Annual report for the year ended 31 March 2020 (continued)

Strategic report (continued)

Fundraising (continued)

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

Programme related investments

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

Financial review

Net assets at 31 March 2020 were £83.55m (2019: £89.10m). £75.90m of the assets related to endowment funds (2019: £81.24m). The total unrealised and realised losses on investments amounted to £7.49m (2019: gains £2.49m). There were new donations to the endowment funds during the year of £4.93m (2019: £3.36m), and fees and transfers out of endowment of £2.89m (2019: £2.03m). 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. The global Covid-19 pandemic had a significant impact on stock markets and investments at the year end, with the main fund falling in value by over 14% in the final quarter. On the full year's performance, the main fund performed ahead of the ARC benchmark with a total return average of minus 6.85% compared to the benchmark of minus 7.9%. 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 £10.05m (2019: £9.78m). The main sources of income were new donations and investment income. The main resources expended were for charitable grants of £6.55m net (2019: £7.71m net).

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Annual report for the year ended 31 March 2020 (continued)

Strategic report (continued)

Financial review - reserves

The Statement of Financial Activities shows the movement in the year of the Community Foundation's (Group) Unrestricted and Restricted Funds. The year-end balances on the Restricted Funds are available in their entirety, less the property, Philanthropy House, for future grant-making and other direct charitable expenditure. The Unrestricted Funds balance at 31 March 2020 of £2,270,118 includes £1,635,014 set aside for designated funds which are solely for future grant-making, and the balance of £635,104 less fixed assets of £56,545, £578,559 is the general reserve available to meet future administration and development expenditure.

The Board had previously reviewed its reserve level and designated £235,000 (less utilised during 2019 year-end, £21,000 and 2020 year-end £55,520) of the general reserves to support additional staffing costs and one-off costs to develop a new ICT system. The Board sets a maximum level of reserves to allow the Community Foundation to operate for up to 12 months if income streams were significantly impacted by market conditions and a minimum level based on the same scenario but adjusting some costs during the 12 months and reviews its policy annually. The general reserve, after adjusting for designated costs, amounted to £420,079 which was slightly below the range calculated, minimum level of £430,000 and the maximum £715,000. The Board agreed a budget for the administration fund in early March 2020. Following the global Covid-19 pandemic and subsequent lockdown later in March 2020 the Board agreed a revised budget which committed an extra £44,000 from reserves to support operations for the 2020-21 year. 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 as follows. We want 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 also 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%

The Covid-19 pandemic has put some of the priorities for the first year of the strategy period on hold, while the Community Foundation focuses on funding response, recovery and renewal in the charity sector.

Annual report for the year ended 31 March 2020 (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;

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Annual report for the year ended 31 March 2020 (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

15 September 2020

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 2020, 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 2020 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of report

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



Simon Brown BA ACA DChA (Senior Statutory Auditor)

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

Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 18.9.2020

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 2020

	Notes	Unrestricted funds	Restricted funds	Endowment funds	Total 2020	Total 2019
		£	£	£	£	£
Income and endowments from:						
Donations and legacies		1,113,747	1,652,531	4,929,481	7,695,759	7,407,782
Charitable activities	3	52,300	-	-	52,300	30,825
Other trading activities	4	8,500	-	-	8,500	33,530
Investment income	5	1,143,490	1,152,160	-	2,295,650	2,305,346
Total income and endowments		2,318,037	2,804,691	4,929,481	10,052,209	9,777,483
Expenditure on:						
Raising funds	7	271,770	3,083	-	274,853	256,476
Investment management costs		-	-	254,181	254,181	247,733
Charitable activities	8	3,051,690	4,537,891	-	7,589,581	8,728,677
Total expenditure		3,323,460	4,540,974	254,181	8,118,615	9,232,886
Net (losses)/gains on investments		-	(115,597)	(7,369,817)	(7,485,414)	2,494,692
Net (loss)/income		(1,005,423)	(1,851,880)	(2,694,517)	(5,551,820)	3,039,289
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)	3,039,289
Reconciliation of funds:						
Total funds brought forward		1,857,598	6,001,992	81,238,349	89,097,939	86,058,650
Total funds carried forward		2,270,118	5,371,622	75,904,379	83,546,119	89,097,939

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 2020**

	Notes	2020 £	2019 £
Income - continuing operations			
Donations and legacies		2,766,278	4,054,850
Charitable activities		52,300	30,825
Other trading activities		8,500	27,250
Investment income	5	2,295,650	2,305,346
		5,122,728	6,418,271
Expenditure - continuing operations			
Grants	8	6,549,097	7,710,574
Staff costs	9	908,826	933,792
Other costs		406,511	340,787
		7,864,434	8,985,153
Net loss on investments		(115,597)	(91,660)
Net loss for the year before transfers and taxation		(2,857,303)	(2,658,542)
Transfer from endowment fund		2,639,453	2,026,643
Taxation	15	-	-
Net deficit for the year		(217,850)	(631,899)

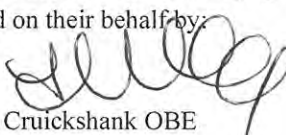
The total income of £5,122,728 comprises £2,318,037 for unrestricted funds and £2,804,691 for restricted funds as shown in the statement of financial activities. The total expenditure of £7,864,434 comprises £3,323,460 for unrestricted funds and £4,540,974 for restricted funds as shown in the statement of financial activities.

Community Foundation
serving Tyne & Wear and Northumberland

Balance sheets as at 31 March 2020
Registered company number 02273708

	Notes	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Fixed assets					
Endowment fund investments	10	75,706,413	81,115,370	73,340,329	78,306,566
Programme related and other investments	10	845,266	721,488	845,366	721,588
Tangible assets	11	727,795	757,690	727,795	757,690
Total fixed assets		77,279,474	82,594,548	74,913,490	79,785,844
Current assets					
Debtors	12	77,225	102,040	69,600	93,416
Cash on short-term deposit		6,030,934	5,514,232	6,030,934	5,514,232
Cash at bank and in hand		2,430,132	4,533,446	2,174,329	4,396,073
Total current assets		8,538,291	10,149,718	8,274,863	10,003,721
Creditors: amounts falling due within one year	13	(1,337,966)	(2,649,587)	(1,329,617)	(2,613,541)
Net current assets less current liabilities		7,200,325	7,500,131	6,945,246	7,390,180
		84,479,799	90,094,679	81,858,736	87,176,024
Creditors: amounts falling due after more than one year	14	(933,680)	(996,740)	(933,680)	(996,740)
Total assets		83,546,119	89,097,939	80,925,056	86,179,284
The funds of the charity:					
Endowment funds	16	75,904,379	81,238,349	73,414,960	78,389,326
Restricted income funds	17	5,371,622	6,001,992	5,239,978	5,932,360
Unrestricted income funds	18	2,270,118	1,857,598	2,270,118	1,857,598
Total charity funds		83,546,119	89,097,939	80,925,056	86,179,284

The financial statements on pages 16 to 48 were approved by the Board on 15 September 2020 and were signed on their behalf by:


Fiona Cruickshank OBE
Chair


Paul Farquhar
Treasurer

Consolidated cash flow statement for the year ended 31 March 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Net cash used in operating activities	23	(6,607,245)	(4,192,342)
Cash flows from investing activities:			
Dividends and interest from investments		2,295,650	2,305,346
Purchase of fixed assets		(4,263)	(47,469)
Proceeds from the sale of investments		18,392,550	9,801,760
Purchase of investments		(20,353,410)	(10,872,189)
Programme related investments drawn down		(239,375)	(390,913)
Net cash provided by investing activities		91,152	796,535
Cash flows from financing activities:			
Receipt of endowment		4,929,481	3,359,212
Net cash provided by financing activities		4,929,481	3,359,212
Change in cash and cash equivalents in the year		(1,586,612)	(36,595)
Cash and cash equivalents at the beginning of the year	23	10,047,678	10,084,273
Cash and cash equivalents at the end of the year	23	8,461,066	10,047,678

Community Foundation

serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2020

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.

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2020
(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 £2,419,827 (2019: £2,121,883) in excess of investment income, was transferred from the main and ethical endowment funds to restricted £1,212,177 and unrestricted £1,207,650 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 £237,538 (2019: £262) was withdrawn during the year.

g) Listed and unlisted investments

Listed investments are stated at their quoted market value at the year end. Unlisted investments are quoted at cost. Freehold investment property is stated at the fair value estimate as valued by property consultants in March 2020 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 2020
(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.

Owing to the COVID-19 pandemic, the valuers of the property held within Investments have issued their valuations as at 31 March 2020 of £381,000 with a 'material uncertainty' qualification. The valuation of property is always a difficult and complex matter. The valuation profession's difficulties were compounded by the government responding to the rapidly spreading Coronavirus by ordering a lockdown of non-essential businesses on 23 March 2020. This was so close to the 31 March 2020 valuation date that the valuers of the properties had no option but to issue their reports with a 'material valuation uncertainty'. This means that the valuers (as per VPS 3 and VPGA10 of their RICS Red Book Global) were less certain and were indicating that a higher degree of caution should be attached to their valuation than would normally be the case given the unknown future impact that COVID-19 might have on the property market. The Board is satisfied that the properties are being held as long term investments and therefore any downward movement due to COVID-19 would not be so significant that it would seriously weaken the balance sheet. The property funds represent less than 1% of Endowment Fund Investment assets at 31 March 2020.

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 £890,158 has been advanced. NESIC use these loans to invest directly into The North East Social Investment Fund (NESIF). The total advanced of £1,155,972 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 at 10% per annum. The Board will review recoverability and valuation on an annual basis. At the year end a total provision of £310,706 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 2020 was £1,844,028. The £3,000,000 funds, less the provision, are listed within restricted funds and at the year end were £2,689,294. 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 2020
(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 2020
(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 2020
(continued)

2 Statement of Financial Activities prior year fund comparatives

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

Community Foundation
serving Tyne & Wear and Northumberland

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

3 Charitable activities

	2020	2019
	£	£
Other charitable activities	52,300	30,825

4 Other trading activities

	2020	2019
	£	£
Fundraising event	-	6,280
Other trading activities	8,500	27,250
	8,500	33,530

5 Investment income

	2020	2019
	£	£
Dividends and interest from endowment fund assets	2,209,175	2,227,268
Interest receivable on cash deposits	86,475	78,078
	2,295,650	2,305,346

Notes to the financial statements for the year ended 31 March 2020
(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 2020 £	Total 2019 £
	£	£		
Support staff costs	32,895	159,142	192,038	194,257
Governance staff costs	9,421	45,579	55,001	54,905
Overhead costs	67,268	260,009	327,277	208,669
Governance direct costs	4,330	20,950	25,280	22,267
	113,914	485,680	599,596	480,098
Included in overhead costs are the following:			2020	2019
			£	£
Auditors' remuneration – audit services			7,650	7,000
Depreciation			34,158	29,757
Loss on disposal of fixed assets			-	632

7 Costs of raising funds

	2020 £	2019 £
Staff costs	144,482	148,666
Direct costs	16,457	15,816
Support costs (Note 6)	113,914	91,994
	274,853	256,476

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

8 Charitable activities

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

	2020	2019
	£	£
Grants payable	6,549,097	7,710,574
Staff costs	517,305	535,964
Direct costs	37,499	94,035
Support costs (Note 6)	485,680	388,104
	7,589,581	8,728,677

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

	2020 £	2020 Number	2019 £	2019 Number
Other charities and voluntary organisations	6,544,330	1,133	7,680,177	1,310
Individuals	90,215	123	123,663	205
Total new grants awarded in the year	6,634,545	1,256	7,803,840	1,515
Grants cancelled	(85,448)		(93,266)	
Total grant expenditure	6,549,097	1,256	7,710,574	1,515

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:	2020	2019
	£	£
Wages and salaries	784,136	807,149
Social security costs	76,519	77,775
Other pension costs	48,171	48,868
	908,826	933,792

The average number of employees, excluding Trustees/Board Directors, employed by the Group during the year was 24 (2019: 24), full time equivalent 21.12 (2019: 21.8). The ratio of the highest salary to the median salary was 2.4:1 (2019: 2.3:1). The gross salary in the year relating to the executive members of staff responsible for the day-to-day management of the Charity was £286,101 (2019: £289,963) plus £18,295 (2019: £18,520) 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 2019 and 5 April 2020 below:

	5 April 2020	5 April 2019
Mean gender pay gap	14%	8%
Median gender pay gap	7%	-2%

None of the Trustees/Board Directors received any remuneration during the year (2019: 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:	2020	2019
	Number	Number
£60,000 to £70,000	2	2
£80,000 to £90,000	1	1

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

10 Investments

Endowment fund investments - Group

At valuation	Listed investments £	Deposit & other cash balances £	Freehold property £	Total £
At 1 April 2019	77,499,613	3,229,757	386,000	81,115,370
Additions/movement in the year	20,587,932	(234,522)	-	20,353,410
Disposals in the year	(18,392,550)	-	-	(18,392,550)
Realised losses in the year	(1,063,459)	-	-	(1,063,459)
Unrealised losses in the year	(6,301,358)	-	(5,000)	(6,306,358)
At 31 March 2020	72,330,178	2,995,235	381,000	75,706,413
At cost				
At 31 March 2020	70,339,900	2,995,235	266,500	73,601,635
At 31 March 2019	67,544,436	3,229,757	266,500	71,040,693

Listed investments are detailed as follows:	2020 Market Value £	2019 Market Value £
UK Fixed Interest	5,768,818	6,770,074
UK Equities	18,128,696	24,618,493
Property	1,620,822	2,117,554
Overseas Fixed Interest	1,261,901	833,745
Overseas Equities	24,020,726	26,125,048
Collective Investment Schemes	15,833,559	12,387,878
Other	5,695,656	4,646,821
	72,330,178	77,499,613

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

10 Investments (continued)

Programme Related Investments – Charity and Group

	Total £
Loaned amounts	
At 1 April 2019	916,597
Advances during the year	239,375
Repayments	-
At 31 March 2020	1,155,972
Provisions	
At 1 April 2019	195,109
Provided against during the year	115,597
Provision released during the year	-
At 31 March 2020	310,706
Net loaned amounts	
At 31 March 2020	845,266
At 31 March 2019	721,488

Endowment fund investments - Charity

At valuation	Listed investments £	Deposit & other cash balances £	Freehold property £	Total £
At 1 April 2019	74,690,809	3,229,757	386,000	78,306,566
Additions/movement in the year	20,245,473	(234,522)	-	20,010,951
Disposals in the year	(17,952,715)	-	-	(17,952,715)
Realised losses in the year	(1,051,578)	-	-	(1,051,578)
Unrealised losses in the year	(5,967,895)	-	(5,000)	(5,972,895)
At 31 March 2020	69,964,094	2,995,235	381,000	73,340,329
At cost				
At 31 March 2020	68,045,879	2,995,235	266,500	71,307,614
At 31 March 2019	65,152,414	3,229,757	266,500	68,648,671

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

10 Investments (continued)

	2020 Market Value £	2019 Market Value £
Listed investments are detailed as follows:		
UK Fixed Interest	5,478,954	6,436,228
UK Equities	17,313,556	23,552,991
Property	1,518,195	2,003,586
Overseas Fixed Interest	1,261,901	833,745
Overseas Equities	23,057,325	25,054,621
Collective Investment Schemes	15,732,468	12,242,384
Other	5,601,695	4,567,254
	69,964,094	74,690,809

Other investments – Charity

At cost and valuation	Unlisted investments £
At 1 April 2019	100
At 31 March 2020	100

Unlisted investments held by the charity relate to £100 (2019: £100) investment in the subsidiary company Tyne & Wear Foundation Limited at cost. At 31 March 2020 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 £2,689,294 (note 17) (2019: £2,804,891) 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 2020 was £1,844,028 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 £328,440 for the full group (2019: £1,211,353). No single investment accounts for more than 5% of the endowment fund investments.

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

11 Tangible fixed assets

Group and Charity

	Land & Buildings £	Furniture & equipment £	Office improve- ments	Total £
Cost				
At 1 April 2019	750,000	97,499	33,472	880,971
Additions	-	4,263	-	4,263
At 31 March 2020	750,000	101,762	33,472	885,234
Accumulated Depreciation				
At 1 April 2019	63,750	46,596	12,935	123,281
Charge for the year	15,000	15,810	3,348	34,158
At 31 March 2020	78,750	62,406	16,283	157,439
Net book value				
At 31 March 2020	671,250	39,356	17,189	727,795
At 31 March 2019	686,250	50,903	20,537	757,690

12 Debtors

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Other debtors	16,725	36,923	16,725	36,923
Dividends and interest receivable	60,500	65,117	52,875	56,493
	77,225	102,040	69,600	93,416

Community Foundation
serving Tyne & Wear and Northumberland

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

13 Creditors: amounts falling due within one year

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Other creditors and accruals	275,428	214,345	275,428	214,345
Taxation and social security costs	20,833	21,881	20,833	21,881
Grants payable	1,041,705	2,413,361	1,033,356	2,377,315
	1,337,966	2,649,587	1,329,617	2,613,541

Other creditors include amounts totalling £63,060 (2019: £61,830) 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 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Other creditors and accruals	933,680	996,740	933,680	996,740

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.

	2020 £	2019 £
Corporation tax payable	-	-

Notes to the financial statements for the year ended 31 March 2020
(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 2019	81,238,349	78,389,326
Transfers between funds:		
Total returns endowment withdrawal	(2,657,365)	(2,657,365)
Transfers to endowment from income funds	22,595	22,595
Exceptional withdrawal from endowment funds	(4,683)	(4,683)
Net loss before transfers	(2,694,517)	(2,334,913)
At 31 March 2020	75,904,379	73,414,960

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 £2,657,365 (including Community First indexed gain withdrawal) and is shown as a transfer from the endowment fund. A withdrawal of £4,683 was made from the Jeremy Beecham Schools Fund, all of which was used to cover grant-making commitments during the year.

Community Foundation
serving Tyne & Wear and Northumberland

Notes to the financial statements for the year ended 31 March 2020
(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 2020 have received sufficient funds to return them to credit.

	At 1 April 2019 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2020 £
Frank Acfield	-	986	986	-	-
Akzo Nobel International Paint	(2)	17,212	12,585	1,300	3,325
Akzo Nobel International Paint					
Community First	-	(342)	-	(342)	-
Abbot Memorial Grants	1,100	-	-	-	1,100
Asian	1,394	5,843	5,500	1,737	-
Stuart Ayre	-	1,880	1,880	-	-
Nancy Barbour Award	3,514	5,612	-	-	9,126
Sir Jeremy Beecham	(850)	1,292	4,700	(4,758)	500
Bellingham	1,134	2,642	400	10	3,366
Berwick Academy Endowment	13,568	9,072	3,000	-	19,640
Blackett Family Community					
First	(108)	2,864	-	2,757	(1)
EDF Energy Blyth Offshore					
Demonstrator Wind Farm					
Community Benefit	(18,834)	60,500	69,526	5,500	(33,360)
Enid Blyton Fund for Seven					
Stories	-	43,468	43,468	-	-
Bowey Community First	2	(1,302)	-	(2,223)	923
Ron & Louise Bowey					
Grassroots	8,873	13,465	22,574	-	(236)
Carolyn and Tony Brookes	1,227	2,714	3,000	-	941
Burnell Community First	-	(589)	-	(589)	-
Lawrence Campbell					
Community First	(529)	2,283	3,950	(3,265)	1,069
Canford Audio	181	498	-	-	679
Capacitybuilders CPP	5,458	-	-	-	5,458
Chapman	2,042	25,246	2,000	-	25,288
Chronicle Sunshine	-	10,809	10,809	-	-
Comic Relief Community Cash	45	-	-	-	45
Comic Relief Local					
Communities	1	-	-	-	1
The Community Infrastructure					
Levy (CIL)	-	35,704	-	-	35,704
Community Ventures	217	-	-	217	-
Sir Tom Cowie	20,834	73,213	10,000	-	84,047
Stephen & Abigail Crampton	1,351	1,814	1,794	-	1,371
Culture Bridge	1,619	7,356	8,969	-	6
Duncan & Sarah Davidson	(57)	6,086	6,000	-	29
Pamela and Dorothy Denham	1,364	3,553	3,500	-	1,417
Carried forward	43,544	331,879	214,641	344	160,438

Community Foundation
serving Tyne & Wear and Northumberland

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

17 Income funds - restricted (continued)

	At 1 April 2019	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2020
	£	£	£	£	£
Brought forward	43,544	331,879	214,641	344	160,438
Pamela Denham Community First	-	(625)	-	(625)	-
Pamela Denham Grassroots	639	500	-	-	1,139
David Dockray's West End Young People's	(1,054)	45,801	44,788	15	(56)
Dream Jar	1,189	1,845	-	-	3,034
Andrew and Charlotte Dixon	-	915	-	-	915
The Edwin John Easydorchik Travelling Scholarship	5,042	5,682	3,000	-	7,724
Enviresearch	12,895	15,000	7,304	-	20,591
ESF Community Grants	55	(65)	(10)	-	-
Evangelical	22,940	8,313	5,000	-	26,253
Express Enterprise	1,988	1,165	3,000	-	153
FARNE	24,315	23,923	30,284	-	17,954
David & Gitta Faulkner	1,481	1,908	750	-	2,639
Fausta and Rosemary Community First	-	(1,216)	-	(1,216)	-
Fergusons of Blyth	25,227	7,670	31,750	-	1,147
Fogo Community First	-	(5,081)	-	(5,081)	-
Gateshead Capacity Building	20,434	129,645	130,170	9,380	10,529
David Goldman Awards	-	29,450	29,450	-	-
Allison Greenlees Continuation	-	6,078	3,000	3,078	-
The EDF Energy Green Rigg Wind Farm Community Benefit	24,480	1,090	21,520	-	4,050
The EDF Energy Renewables Barmoor Windfarm Community Benefit	68,276	-	56,517	-	11,759
Jackie Haq Fund for Scotswood	3,437	1,906	4,484	-	859
Heyman Scholarships	10,532	10,112	12,343	-	8,301
Joy Higginson	1,894	1,333	-	-	3,227
High Sheriff of Northumberland	6,583	68,094	46,500	5,573	22,604
Hokey Cokey Community First	-	(467)	-	(467)	-
Hoult Family Community First	(1)	(181)	-	(182)	-
Hoult Family Grassroots	353	2,745	-	-	3,098
The HunterPemberton Community First	(278)	1,672	1,000	(1,985)	2,379
Innogy Renewables UK Kiln Pit	7,826	19,550	19,739	1,777	5,860
Hill Wind Farm Community	652	1,313	-	1,000	965
Josephs Family	-	2,414	-	-	2,414
JPMorgan	600,632	374,626	453,217	100,000	422,041
Kellett	440	1,106	2,500	-1,383	429
Kerry Community First	1,830	3,233	2,500	-	2,563
Kerry Grassroots	-	3,934	-	-	3,934
June King	196	682	500	-	378
Latterford	(2,086)	1,286	947	(2,146)	399
Lendrum Community First	4,676	4,046	2,768	-	5,954
Capt. C.D. Leyland	-	(25,049)	-	(25,049)	-
Linden Community First	-	-	-	-	-
Carried forward	888,137	1,076,232	1,127,662	83,033	753,674

Community Foundation
serving Tyne & Wear and Northumberland

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

17 Income funds - restricted (continued)

	At 1 April 2019	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2020
	£	£	£	£	£
Brought forward	888,137	1,076,232	1,127,662	83,033	753,674
Local Environmental Action	38,303	12,962	3,746	(337)	47,856
George Loggie	2,075	1,230	2,205	-	1,100
Lady Betty Martin Fund within the North East Fund for the Arts	3,115	8,249	10,851	-	513
Grigor McClelland Community First	804	(4,484)	-	(4,484)	804
Moor	-	1,682	-	-	1,682
Nash	(214)	9,732	3,500	6,018	0
NEF Grassroots	5,004	1,683	5,004	-	1,683
NET Coronavirus Appeal	-	50,000	-	-	50,000
Newcastle Culture Investment	(44,446)	610,211	493,542	21,018	51,205
North East Endowment for Musical Traditions	1,718	5,726	4,050	-	3,394
North East Fund for the Arts	88	5,352	(1,000)	-	6,440
North East Social Investment	2,804,891	-	-	115,597	2,689,294
Northern Angel	421	22,470	22,048	220	623
Northern Powergrid Community Energy Seed	562	-	-	-	562
Northern Rock Foundation Legacy Grants	44,010	-	(11,500)	44,000	11,510
North Tyneside	-	1,726	1,700	-	26
Northumberland Group	1	33,746	-	-	33,747
Northumberland Wildlife Trust	-	1,660	1,660	-	-
Out & About	9,746	5,312	9,435	-	5,623
Partnership programme	65,341	-	-	-	65,341
Patch	17,255	15,287	9,000	-	23,542
Pea Green Boat Community First	(5,439)	23,031	47,139	(27,992)	(1,555)
Pen & Palette Club Fund within the North East Fund for the Arts	843	4,826	-	-	5,669
Percy Family	146	9,246	2,314	7,000	78
Philanthropy House	749,893	-	-	-	749,893
Platten Family Community First	462	(29,569)	-	(29,570)	463
Port of Tyne Community Action	1,625	21,000	18,139	4,486	-
Prudhoe League of Friends	853	3,691	4,544	-	-
Geoffrey and Ann Purves	-	513	513	-	-
Ray Wind Farm Small Grants Programme	115,961	116,086	120,141	11,275	100,631
Readman Community First	-	(6,157)	-	(6,157)	-
Readman Family Grassroots	8,440	75,804	45,588	16,000	22,656
Readman Foundation	87,570	1,285	25,000	2,500	61,355
Carrie Reay Grassroots	1,192	3,858	2,000	-	3,050
REEDS Community First	-	(4,745)	-	(4,745)	-
REEDS Grassroots	21,249	24,890	23,830	-	22,309
Riddell Family Community First	869	11,274	27,720	(18,817)	3,240
Riding Grange Grassroots	521	3,258	1,750	-	2,029
Jane Robertson Alnwick	3,249	4,168	3,500	-	3,917
Brian Roycroft	3,845	10,308	7,914	-	6,239
Carried forward	4,828,090	2,131,543	2,011,995	219,045	4,728,593

Community Foundation
serving Tyne & Wear and Northumberland

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

17 Income funds - restricted (continued)

	At 1 April 2019	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2020
	£	£	£	£	£
Brought forward	4,828,090	2,131,543	2,011,995	219,045	4,728,593
RWE Innogy UK Middlemoor					
Wind Farm Community	52,720	103,644	53,475	29,391	73,498
Sage Gateshead	-	707,396	707,396	-	-
Smail Family	-	4,498	3,750	-	748
Henry Smith Charity	865,000	356,746	1,195,646	-	26,100
Spriggs Family Community	-	(166)	-	(166)	-
First					
Trikoli & Shohba Srivastava					
Community First	149	151	-	(379)	679
Sunderland Industrial &					
Reformatory School	(203)	1,357	-	-	1,154
Suz Grassroots	5,135	1,670	5,135	-	1,670
Taylor	-	20,233	10,740	-	9,493
Third Sector Trends	(1,007)	-	-	-	(1,007)
Thornton Family Grassroots	313	4,019	2,984	-	1,348
Three Valleys	2,958	11,783	11,914	-	2,827
Tiny Lives	-	95,582	95,582	-	-
Tyne & Wear High Sheriff					
Awards	5,866	64,138	48,800	4,000	17,204
Tyne & Wear High Sheriff					
Community First	-	(1,150)	-	(1,150)	-
Tyne & Wear Grassroots	-	842	-	-	842
Ventient Sisters North Steads					
Wind Farm Community Benefit	115,679	-	69,005	-	46,674
Vicky F Grassroots	4,310	1,400	4,861	-	849
Virgin Money	925	3,604	2,400	-	2,129
Vital Gateshead	2,357	7,445	-	(2,278)	12,080
Vital Newcastle	3,145	4,944	-	(5,816)	13,905
Vital North Tyneside	2,198	1,346	-	(1,478)	5,022
Vital Northumberland	2,213	18,428	-	(1,592)	22,233
Vital South Tyneside	2,186	1,259	-	(1,485)	4,930
Vital Sunderland	3,436	6,062	(1,000)	(7,134)	17,632
Ted Weekes	(1)	13,357	-	-	13,356
The Wellesley Trust	13,369	354,007	153,361	-	214,015
The Wellesley Trust					
Community First	-	(75,466)	-	(75,466)	-
Mark and Ian Wilson Family	1,741	2,335	-	2,038	2,038
Wood	10,196	7,379	10,000	5,000	2,575
CH Wood	52	5,093	5,145	-	-
Women's	8,650	35,301	33,072	-	10,879
Women's Community First	1	(613)	-	(612)	-
Young Musician's	2,882	6,464	7,657	12	1,677
Youth Social Action	-	44,000	73,165	(36,000)	6,835
Total Community Foundation	5,932,360	3,938,631	4,505,083	125,930	5,239,978

Community Foundation
serving Tyne & Wear and Northumberland

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

17 Income funds - restricted (continued)

	At 1 April 2019 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2020 £
Total Community Foundation	5,932,360	3,938,631	4,505,083	125,930	5,239,978
Joseph Brough Charitable Trust	28,297	55,702	10,000	30	73,969
Tyne and Wear Foundation Trust	41,365	22,535	6,183	12	57,705
Tyne & Wear Foundation Limited	(30)	-	-	-	(30)
Total Group	6,001,992	4,016,868	4,521,266	125,972	5,371,622

Income and transfers include credits of £1,212,177 transferred from the main and ethical endowment funds to distribute as income on a total returns basis. Other outgoings include transfers between funds of a credit £9,333, amortisation of Programme Related Investments of £115,597 and other fund expenses of £19,708. The Women's Fund includes income from People of Ward Hadaway in memory of Sue Watts fund, Fausta and Rosemary Community First fund and Pamela and Dorothy Denham fund, Brian Roycroft fund includes income from the Tessa Hide fund, Local Environmental fund includes income from Ivy and Gilbert Purvis fund and Sandra King Rainy Day fund, and High Sheriff of Northumberland Youth fund includes income from the Burnell Family and Community First funds.

18 Income funds - unrestricted

As well as a general administrative unrestricted fund (included below for completeness) the Community Foundation holds the following designated funds which the Directors regard as unrestricted because they are used for general charitable purposes in the Community Foundation's area of benefit although grants may still be made on recommendations from the donor. The funds are to be used for grant-making and grants are awarded throughout the year when committees meet and make recommendations to the Board. Since the year end the funds in deficit at 31 March 2020 have received sufficient funds to return them to credit.

	At 1 April 2019 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2020 £
Adderstone	-	12,394	12,000	-	394
Anonymous	5,420	3,319	4,100	-	4,639
Appletree	2,330	22,247	12,273	10,000	2,304
Ashington Community Development Trust	-	2,909	-	-	2,909
Barley Hill	1,886	3,964	5,850	-	-
Barnes	316	7,712	5,000	-	3,028
Christopher Beadle	576	5,441	-	-	6,017
Charles Robert Bell	-	13,624	14,585	-	(961)
John Bell	(864)	67,188	13,880	-	52,444
Bellway	13	3,065	(474)	-	3,552
Sara Alexandra Bernstone	557	4,725	5,225	-	57
Bonas Machine Company	873	1,921	2,000	-	794
Ron and Louise Bowey	37,821	39,070	35,720	-	41,171
Dawn Brown	1,240	1,328	1,557	-	1,011
The Muriel Campbell	16	1,483	1,499	-	-
Carr-Ellison Charitable Trust	4,968	10,902	9,500	-	6,370
Carroll Savage	786	5,792	6,578	-	-
Chrysalis	1,760	1,968	2,000	-	1,728
Daphne & Martin Cookson	2,160	4,976	7,075	-	61
Carried forward	59,858	214,028	138,368	10,000	125,518

Community Foundation
serving Tyne & Wear and Northumberland

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

18 Income funds - unrestricted (continued)

	At 1 April 2019	Income & transfers	Grants	Other outgoings & transfers	At 31 March 2020
	£	£	£	£	£
Brought forward	59,858	214,028	138,368	10,000	125,518
Roland Cookson	-	72,714	72,714	-	-
Roland Cookson Community	(477)	20,407	19,812	3,552	(3,434)
Coquet	1,000	-	1,000	-	-
Coronavirus Response and Recovery	-	50,337	-	(397,897)	448,234
Crozier	-	2,360	-	2,360	-
Curtain PARP	-	24,182	13,429	-	10,753
John D Endowment	(422)	13,805	13,481	-	(98)
Dickon Trust	(604)	76,702	66,225	-	9,873
Elgon	946	1,147	-	-	2,093
Fogo	4,951	36,979	34,170	-	7,760
Gateshead Housing Company Community	87	45,000	36,148	8,000	939
George & Peggy	366	5,325	4,248	-	1,443
The Giving Network	10,095	13,432	16,104	(2,698)	10,121
Margaret and Dorothy Gordon Memorial	-	297	-	-	297
Groves Family	1,519	5,112	3,297	-	3,334
Michael & Christine Heppell	2,962	3,288	-	2,500	3,750
The Hokey Cokey (that's what it's all about)	2,307	3,320	3,893	-	1,734
I'Anson Family	(24)	2,874	1,400	-	1,450
If only...	1,573	1,583	3,000	-	156
Sir James Knott	-	2,257	2,257	-	-
John Laing	2,345	5,377	7,000	-	722
William Leech Charity	69,781	23,575	89,974	(4,078)	7,460
Leech Challenge	2,611	3,467	2,000	4,078	0
Linden Family	(4,789)	116,949	113,851	-	(1,691)
FB & PFB Lough	24,697	107,015	96,842	45	34,825
Grigor McClelland	1,308	17,968	10,000	-	9,276
Daisy Marr	2,358	30,484	16,190	10,000	6,652
Lily Matthews	12,770	-	12,770	-	-
Maudslay Family	176	2,460	-	-	2,636
G S May Family	2,591	6,170	3,000	2,000	3,761
McIntosh	394	1,408	-	400	1,402
Muckle LLP	8,316	40,363	33,459	8,888	6,332
Ronald Edward Murray	88,476	-	-	88,476	-
Newcastle Brown Ale	627	5,205	3,250	-	2,582
Newcastle Building Society Community	-	561,670	403,735	146,400	11,535
Emma Newton	3,577	5,211	6,136	-	2,652
North 150	246	-	-	246	0
North East Brewers	-	6,531	-	-	6,531
Northern Powergrid	18	16,903	17,000	-	-79
Northumbrian Water	991	6,275	7,266	-	-
Pattinson Estate Agents	3,494	6,915	5,500	-	4,909
Philanthropy North East Story	7,550	-	2,500	7,154	(2,104)
Platten Family	275,887	110,582	57,778	6,375	322,316
Carried forward	587,561	1,669,677	1,317,797	(104,199)	1,043,640

Community Foundation
serving Tyne & Wear and Northumberland

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

18 Income funds - unrestricted (continued)

	At 1 April 2019 £	Income & transfers £	Grants £	Other outgoings & transfers £	At 31 March 2020 £
Brought forward	587,561	1,669,677	1,317,797	(104,199)	1,043,640
PricewaterhouseCoopers	2,315	1,939	2,500	-	1,754
Prime	(158)	29,469	31,294	-	(1,983)
Proudfoot Family	772	1,359	2,100	-	31
P&G	-	59,038	42,479	15,000	1,559
Guy Readman endowment	204,077	133,854	64,000	-	273,931
Ringtons	15,189	53,906	54,338	-	14,757
Rolls-Royce	1	2,698	-	-	2,699
St Cuthbert's	7,230	2,187	-	-	9,417
SJB	87	7,521	5,409	-	2,199
Johnnie & Tricia Smith	1,993	4,221	5,554	-	660
Barry & Faga Speker	(143)	1,289	350	75	721
Spriggs Family	112	1,242	1,000	-	354
Square One Law	850	12,500	11,850	1,500	-
Squires Foundation	(11,729)	43,135	24,240	4,555	2,611
Shobha and Triloki Srivastava					
Grassroots	558	2,516	2,000	-	1,074
Star	1,197	10,241	2,750	1,000	7,688
TESS	197	3,214	2,000	-	1,411
Brian & Margaret Thompson	-	295	-	-	295
Treeline	713	3,511	4,000	-	224
Vaux	-	8,677	-	-	8,677
Ward Hadaway	4,202	4,523	8,000	240	485
Watkin Family	4,603	29,516	16,800	6,000	11,319
Watson Family	1	-	-	-	1
Weightman	222	1,388	-	-	1,610
Welch Family	-	1,277	-	-	1,277
Willis Charitable	286	923	750	-	459
The Lucy Winskell	1,192	1,201	2,393	-	-
Winter Family	1,355	16,370	13,219	-	4,506
Robert Wood Trust	-	4,598	5,118	-	(520)
Other general grant-making funds	344,291	468,381	407,890	160,624	244,158
Total designated funds	1,166,974	2,580,666	2,027,831	84,795	1,635,014
Administrative fund	690,624	945,021	-	1,000,541	635,104
Total Community Foundation	1,857,598	3,525,687	2,027,831	1,085,336	2,270,118
Total Group	1,857,598	3,525,687	2,027,831	1,085,336	2,270,118

Income and transfers include £1,207,650 transferred from the main and ethical endowment funds to distribute as income on a total returns basis. Other outgoing and transfers consist of a credit of £210,293 transferred between funds, £908,826 staff costs, £17,046 designated fund expenses and other net administrative costs of £369,757.

A number of funds contribute to the Community Foundation's general unrestricted grant funds, including Crosshatch, Crozier, Tony Follows Legacy, Ian and Jane Gregg, Greggs plc, Sir James Knott Trust, Mitford, Templeton, Tolent, Tyne Tees Television, and two anonymous funds. In addition to the funds listed in restricted and unrestricted funds there are 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.

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

19 Analysis of net assets between funds

Group

	Unrestricted funds	Restricted funds	Endowment funds	2020 Total
	£	£	£	£
Investments	-	845,266	75,706,413	76,551,679
Tangible fixed assets	56,545	671,250	-	727,795
Current assets	2,621,247	5,598,400	318,644	8,538,291
Current liabilities	(407,674)	(809,614)	(120,678)	(1,337,966)
Creditors due after one year	-	(933,680)	-	(933,680)
Total net assets	2,270,118	5,371,622	75,904,379	83,546,119

Charity

	Unrestricted funds	Restricted funds	Endowment funds	2020 Total
	£	£	£	£
Investments	-	845,366	73,340,329	74,185,695
Tangible fixed assets	56,545	671,250	-	727,795
Current assets	2,621,247	5,458,307	195,309	8,274,863
Current liabilities	(407,674)	(801,265)	(120,678)	(1,329,617)
Creditors due after one year	-	(933,680)	-	(933,680)
Total net assets	2,270,118	5,239,978	73,414,960	80,925,056

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

20 Pensions

The Community Foundation contributes to a defined contribution group pension scheme for all staff. The assets of the schemes are held separately from those of the Community Foundation in independently administered funds. The pension charge represents contributions by the Community Foundation to the funds and amounted to £48,171 (2019: £48,868). There were no outstanding contributions at 31 March 2020 (2019: £176).

21 Subsidiary company and charities

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

Tyne & Wear Foundation Limited - wholly owned subsidiary

Joseph Brough Charitable Trust - sole trustee

Tyne and Wear Foundation Trust - sole trustee

As permitted by section 408 of the Companies Act 2006, and by paragraph 422 of the Statement of Recommended Practice 2005, no separate company Statement of Financial Activities has been presented for the Community Foundation serving Tyne and Wear and Northumberland within these financial statements. The Company's gross income for the year was £9,973,972 (2019: £9,698,965) and its net loss for the year was £5,254,228 (2019: net income £2,923,420) after the addition of losses on investments of £7,140,070 (2019: gains £2,391,816).

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 2020 £	Total 2019 £
Turnover	-	-
Cost of sales	-	-
Operating profit	-	-
Administrative costs	-	-
Net profit	-	-

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

21 Subsidiary company and charities (continued)

The aggregate of the assets and liabilities was:

	Total	Total
	2020	2019
	£	£
Assets	70	70
Liabilities	-	-
Net assets	70	70

The Community Foundation is sole trustee of Joseph Brough Charitable Trust, a registered charity (Charity number 227332). All activities of the charity have been consolidated on a line by line basis in the SOFA. A summary of the results of Joseph Brough Charitable Trust is shown below:

	Total	Total
	2020	2019
	£	£
Investment income	60,702	59,457
Charitable activities	(15,030)	(41,972)
Investment management costs	(7,529)	(7,151)
(Losses)/gains on investments	(232,564)	82,904
Net movement in funds	(194,421)	93,238

The aggregate of the assets, liabilities and funds was:

	Total	Total
	2020	2019
	£	£
Assets	1,856,936	2,069,950
Liabilities	(8,349)	(26,942)
Funds	1,848,587	2,043,008

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

21 Subsidiary company and charities (continued)

Represented by:	Total	Total
	2020	2019
	£	£
Permanent endowment fund	1,774,618	2,014,711
Restricted funds	73,969	28,297
Funds	1,848,587	2,043,008

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

	Total	Total
	2020	2019
	£	£
Investment income	27,904	30,782
Donations and legacies	-	279
Investment management costs	(6,731)	(7,720)
Charitable activities	(11,564)	(20,682)
(Losses)/gains on investments	(112,780)	19,972
Net movement in funds	(103,171)	22,631

The aggregate of the assets, liabilities and funds was:

	Total	Total
	2020	2019
	£	£
Assets	772,506	884,781
Liabilities	-	(9,104)
Funds	772,506	875,677

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

21 Subsidiary company and charities (continued)

Represented by:	Total 2020 £	Total 2019 £
Permanent endowment fund	714,801	834,312
Restricted funds	57,705	41,365
Funds	772,506	875,677

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 £1,791,548 (2019: £805,098) to Community Foundation named endowment and revenue funds, and £1,572 (2019: £1,144) was donated by members of the Executive Staff Team.

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

Organisation	Director/employee involved	Relationship	Total grants £
Charlotte Straker Project	Lady Blackett	Trustee	72,714
Derwenthaugh Boat Station	Lucy Winskell OBE	Honorary President	2,300
North East Theatre Trust	Lucy Winskell OBE	Trustee	15,280
Newcastle upon Tyne Hospitals NHS Foundation Trust	Jill Baker	Non- Executive Director	1,350
New Writing North	Claire Malcolm	Employee	12,000
Northumberland Wildlife Trust	Sandra King	Trustee/ Wildlife Ambassador	5,483
Voluntary Organisations Development Agency, North Tyneside	Robin Fry	Employee	10,000

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

	2020 £	2019 £
Net income/(deficit) for the year	(5,551,820)	3,039,289
Adjustments for:		
Receipt of endowment	(4,929,481)	(3,359,212)
Depreciation charges	34,158	29,757
Loss/(Gains) on endowment investments	7,369,817	(2,586,352)
Loss on disposal of fixed assets	-	632
Losses on programme related investments	115,597	91,660
Dividends and interest from investments	(2,295,650)	(2,305,346)
Decrease in debtors	24,815	100,675
(Decrease)/increase in creditors	(1,374,681)	796,555
Net cash used in operating activities	(6,607,245)	(4,192,342)

Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	2,430,132	4,533,446
Short-term deposits	6,030,934	5,514,232
Total cash and cash equivalents	8,461,066	10,047,678

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.