

**DURHAM COMMUNITY ACTION LIMITED**  
**(A company limited by guarantee)**  
**TRUSTEES' REPORT AND**  
**UNAUDITED FINANCIAL STATEMENTS**  
  
**FOR THE YEAR ENDED**  
**31 MARCH 2019**

Company Registration Number 00309329  
Charity Number 229119

# DURHAM COMMUNITY ACTION LIMITED

## REPORT OF THE DIRECTORS AND MANAGING TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

The Executive Committee of Durham Community Action Limited presents its report and unaudited financial statements for the charitable company for the year ended 31 March 2019. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with their Trust Deed, the Charities Act 2011, the Companies Act 2006 and the requirements of 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 (FRS102).

### Reference and Administrative Information

<b>Charity name</b>	Durham Community Action Limited
<b>Charity registration number</b>	229119
<b>Company registration number</b>	00309329

The Directors of the charitable company (the charity) are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees or Executive Committee.

### The Board of Trustees

The Trustees serving during the year and since the year end were as follows

Professor SJ Banks  
Mr. GC Bateman  
Mr. G Bestford (resigned 22 November 2018)  
Mrs Patricia Buckley-Atkins (appointed 11 September 2018) (Treasurer)  
Mrs. J Flynn MBE (Vice Chair)  
Mr. GC Hepburn OBE  
Councillor J Robinson  
Mr. L A Stokes  
Mrs. CA Smith  
Mrs. JM Worters MBE (Chair)

The paid officers serving during the year and since the year end were as follows:

<b>Key Management Personnel</b>	Mrs J Laverick (Executive Director) Mrs K Burrows (Community Support Manager) Mr R S Hayward (Head of Business & Finance) – until 16 June 2018 Ms Y Probert (Head of Community Services) – until 31 May 2018 Mrs A Thompson (Volunteering Development Manager)
<b>Company Secretary</b>	Mr R S Hayward (resigned 16 June 2018) Mrs J Laverick (appointed 16 June 2018)
<b>Registered office and operational address</b>	8 St. Stephens Court Low Willington Crook County Durham DL15 0BF
<b>Independent examiner</b>	RSM UK Tax and Accounting Limited 1 St. James' Gate Newcastle upon Tyne NE1 4AD

# DURHAM COMMUNITY ACTION LIMITED

## REPORT OF THE DIRECTORS AND MANAGING TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

### Reference and Administrative Information (continued)

#### Bankers

Lloyds Bank PLC  
54 Fawcett Street  
Sunderland  
SR1 1SF

#### Solicitors

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

Swinburne Maddison LLP  
Venture House  
Aykley Heads Business Centre  
Durham  
DH1 5TS

# DURHAM COMMUNITY ACTION LIMITED

## REPORT OF THE DIRECTORS AND MANAGING TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

### CHAIR'S REPORT

I am pleased to report that Durham Community Action (DCA) ('the charity') has again had a very busy year, with an emphasis on managing change and evolution. This is both within our organisation, and alongside our colleagues, partners and friends in all areas of voluntary and public sector led services in County Durham.

Supporting networks and delivery partnerships within the voluntary and community sector continues to be of crucial importance to us. As a Voluntary & Community Sector (VCS) infrastructure support provider, we still play a key role in representing and championing the sector. Partnerships in County Durham are maturing and attracting continuing high levels of engagement from front line staff, professionals and many volunteers. They are proving to be highly effective conduits for information exchange, problem solving, consultation and co-production on shaping new approaches to services.

We are welcoming increasing involvement and contributions to VCS led networks from staff in health, adult and social care and children's service sectors, who are increasingly supporting collaboration between and across both voluntary and public sectors.

During this year we have been working across sectors to help shape community services, particularly regarding the continuing integration of health and social care in County Durham. We have consulted with primary health and social care professionals to build knowledge, contacts and access to VCS organisations and specialist providers, and we have fostered a continuing dialogue between the VCS and public sector about an emerging model for social prescribing in County Durham.

Fundamentally, DCA's underlying interest in this work is the support and championing of local community action, for example through volunteering effort and through the hugely diverse range of organisations and small groups that provide an ecosystem of social and community support across County Durham. Increasing pressure is placed upon services that are led and managed by volunteers.

Our work has concentrated on understanding and responding to their needs, with information, resources, advice, support, bespoke training and lots of practical help. We have developed a kitemark for organisations that is designed to help them with managing safeguarding, risk, supporting volunteers and ensuring they have the resources they need to continue with their work, and to realise their aspirations.

The charity's work during the year continued to be focused around three key themes:

- Providing leadership and support for networks and alliances, both formally to provide better services, and informally to build know how and confidence.
- Developing new relationships and knowledge between social and health care professionals, and community-based VCS services.
- Championing the voluntary sector and providing a range of infrastructure support services to develop and promote voluntary action, community led services and volunteering in County Durham.

Core objectives during the year were to:

- Continue building resilience and knowhow at local levels and within smaller communities, particularly with front line, volunteer led groups. Our Share and Learn Network is a good example in this regard, with a growing membership and significant expansion of peer mentoring and networking events taking place during the year.
- Develop a more robust specialist infrastructure in County Durham with the capacity to provide leadership, collaboration and delivery of services that can reach into more isolated communities.

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The work programme for the year focused activity on the following areas:

- Ensuring continuation of support via the centre for Volunteering in County Durham. This was supported by further expansion of the Volunteer Co-ordinators Network, which acts as a sounding board and support group for organisations and agencies that involve volunteers. A range of community support services were delivered through the Centre for Volunteering including the Kitemark, and Volunteer Passport training. During national Volunteers Week in June, we hosted the County Durham 2018 Volunteering Celebration at Durham Cathedral, which provided us with a wonderful opportunity to thank and celebrate the extraordinary range of volunteering effort in County Durham. We also organised a highly successful Volunteering Market, held in the Market Place in Durham City. The event attracted a wide number of volunteer involving organisations who set up stalls and met with the public to promote their volunteering opportunities.
- Tailored support for community groups and organisations that provide services at local level, including community buildings and Town & Parish Councils. This work encompassed community development to build confidence and capabilities, governance and business planning advice.
- Funding advice and support on a broad range of small and large projects and schemes that were generated through VCS organisations and community enterprises.

During the year the charity provided leadership and support for activities and projects including:

- Hosting and supporting the continuing development of Durham Food Partnership, Food Durham and the Community Growing Scheme. The Durham Food Hub has been developing business support packages for a growing range of small local food producers, to help them with business development, packaging and access to wider markets.
- LEADER in the Coast and Lowlands area of east Durham. We chair the Local Action Group.
- Continuing the strengthening of the Advice in County Durham Partnership and developing priorities and work plans.
- Supporting EU funded programmes including Community Learning and DurhamWorks.
- Assisting the two Clinical Commissioning Groups operating across County Durham with the development of the integrated health and social care agenda.
- Providing support to residents of Teesdale and Wear Valley who are out of work and aged 25 and above to overcome barriers to employment, as part of the Reaching out Across Durham (ROAD) Building Better Opportunities Programme, funded by the Big Lottery and European Social Fund.
- Representation on many partnerships and networks, providing a voice for the voluntary sector, and helping to shape policy e.g. the County Durham Economic Partnership, VONNE, DCLG and Defra.

This report outlines the charity's objectives and achievements during the year to 31 March 2019 and details the arrangements that are in place to protect and develop resources.

As Chair, I would once again like to express my thanks and appreciation to the Staff and Trustees, who are without a doubt Durham Community Action's most valuable assets. Without them, it would not be possible to generate the income that supports the community development activities. 2018/19 was a year of significant challenge and progress, and the charity can look forward to the coming year with a degree of confidence, despite the challenging funding climate in which it continues to operate.

Finally, and most importantly, on behalf of all the Members, Staff and Trustees I would like to express special thanks and appreciation to Durham Community Action's funders for their continued support.

Jan Worters MBE  
Chair of Executive Committee

# **DURHAM COMMUNITY ACTION LIMITED**

## **REPORT OF THE DIRECTORS AND MANAGING TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019**

### **PURPOSE**

Durham Community Action (the charity) exists to improve the quality of life for people and communities in County Durham and the surrounding areas.

County Durham is a large rural county of 859 square miles, with an estimated population of 526,980. 90% of the county is classified as rural. A strong sense of place is important to the people who live and work here. The county has distinctive geographical communities and areas, which shape local cultures. Disadvantage manifests itself in several different ways. In the isolated west Durham Dales for example, poor provision of local services and transport particularly affects both older people and young people, limiting access to public services, social and employment opportunities. Fuel costs are high, and access to fresh affordable food is restricted for people on low incomes, resulting in pockets of poverty. Data shows that County Durham has higher than the national average number of people with poor health and long-term health conditions.

The purpose of the charity is 'to promote the benefit of the inhabitants of County Durham and the surrounding areas without distinction of sex, sexual orientation, race or of political, religious or other opinions, by associating together the said inhabitants and the statutory authorities, voluntary and other organisations in a common effort to advance the welfare of the said inhabitants with the object of improving their conditions of life, through any or all of the following:

- (a) the relief of poverty;
- (b) the advancement of education;
- (c) the advancement of health;
- (d) the relief of unemployment;
- (e) the promotion of urban and rural regeneration; and
- (f) such other charitable purposes as may from time to time be determined.'

### **VALUES**

As a charity, Durham Community Action provides infrastructure support services, and aims to be regarded by partners and stakeholders as an independent, reliable, professional body, providing expertise on voluntary and community sector affairs at national and local levels.

DCA's work is underpinned with values of equity, fairness and equality of opportunities for all the people and communities that it works for, and for those who work for and alongside the charity.

Recognising and celebrating diversity and striving to ensure it is reflected in the activities and projects that are developed and delivered.

DCA is an agile and ambitious organisation, always taking a realistic and pragmatic approach to the work that it delivers.

The charity works together to supportively build capacity with communities and strives to build lasting partnerships by demonstrating integrity and reflecting pride in a job well done.

### **OBJECTIVES, PERFORMANCE AND ACHIEVEMENTS**

The Trustees consider the Charity Commission's guidelines on public benefit, including 'Public benefit: running a charity' (PB2) when shaping and planning the charity's objectives and activities.

During the year, the charity's objectives were focused around five main themes, each designed to provide assistance and support for communities across County Durham. The objectives were underpinned by detailed activity plans, that were either designed and delivered in-house, or contracted with partner organisations.

Good progress was made in delivering against each of the five themes during the year, producing a range of outcomes that provided clear public benefits:

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**Objective 1 - Supporting volunteering** by encouraging and supporting individuals to take up local opportunities, providing accredited training to enable volunteers to develop their knowledge and skills, celebrating achievement, encouraging more employers to recognise the inherent value of volunteering, and promoting kitemarking to ensure a quality volunteering experience.

<b>Priorities</b>	<ul style="list-style-type: none"> <li>• To enable access to skills and relevant support programmes for volunteers, that help them to achieve their volunteering aspirations.</li> <li>• To provide support for volunteer involving agencies and organisations in order to sustain a thriving volunteering infrastructure for County Durham.</li> <li>• To increase the range of opportunities for access to supported volunteering for those that are less confident, or able.</li> </ul>
<b>Achievements</b>	<ul style="list-style-type: none"> <li>• The Centre for Volunteering had 6,384 registered volunteers.</li> <li>• 927 new volunteers were supported via the Centre for Volunteering, with advice, information and guidance.</li> <li>• 127 volunteers received one to one support to find the right volunteering experience.</li> <li>• 105 volunteers received training or support to enter volunteering.</li> <li>• 135 organisations were supported to develop new volunteering roles and to recruit. DCA's support helped to develop and promote roles including river restoration, design and marketing, carer support, administration, drivers, active families, mentoring, visitor centres, trustees, gallery attendants and befriending roles in organisations.</li> <li>• Organising and hosting 4 meetings of the Volunteer Coordinators forum with the themes of on-line vocational training and wellbeing, ESOL and learning opportunities, Public Health and Environment Agency volunteering for civil contingencies (flooding), and member networking and updates.</li> <li>• In the course of the year, 12 organisations completed Kitemark assessments for Volunteering. Investing in Children, British Red Cross and Aspire (a Women's support group) received Volunteering Kitemarks following a process of peer review.</li> <li>• 40 individuals participated in DCA's Volunteer Passport training.</li> <li>• During national Volunteers Week in June 2018, DCA organised and ran a Celebration of Volunteering in Durham Cathedral, as a gesture of thanks and recognition to volunteers. DCA's Volunteering Team also organised a successful market for volunteer involving organisations to meet the public in Durham Market Place.</li> </ul>
<b>Public benefit</b>	<ul style="list-style-type: none"> <li>• As a result of this work, volunteer involving organisations in County Durham are more effectively networking, sharing good practice and collaborating on initiatives that help to make the volunteering experience in County Durham rewarding and better supported.</li> <li>• There is an increased and more diverse range of opportunities for volunteering work experience, supported by accredited training for volunteers seeking to build their skills and have them recognised (the 'Volunteer Passport').</li> <li>• There are improved pathways for volunteers to access opportunities, develop their experience and make contributions that are both valued and add value to civil society.</li> <li>• One to one advice and help are now available for people who are less confident, enabling them to enter volunteering and be supported into placements that are rewarding for both volunteers and communities.</li> <li>• Volunteer led groups and organisations have support and ready access to advice and help when they need it. They are better informed and have resources to hand that help them to ensure that their volunteers are well trained and supported.</li> </ul>



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**Objective 2 – Capacity building** through the provision of a range of information, advice and guidance, plus on-going support for the Voluntary & Community Sector. Bespoke case work support was focused particularly on local services that are led by volunteers and running community buildings/village halls and social activities in disadvantaged communities.

<b>Priorities</b>	<ul style="list-style-type: none"> <li>• To provide leadership and support for VCS networks, building peer support for training, partnership development and skills.</li> <li>• Collaboration with local community networks to enable them to support local, front line community services.</li> <li>• Developing and delivering a programme of training for community-based groups and organisations, including good governance, finance, asset development, and volunteer accreditation.</li> <li>• Providing a value led consultancy service for VCS organisations to draw on when in need of specific areas of expertise e.g. bid writing, funding advice, business planning and trustee development.</li> </ul>
<b>Achievements</b>	<ul style="list-style-type: none"> <li>• 440 VCS groups and organisations were supported with information, advice and guidance.</li> <li>• DCA's Share and Learn Network for community organisations and groups provided a fully subscribed programme of training and capacity building activities.</li> <li>• Membership of the Share and Learn network increased to 204 organisations and groups. The network has a closed Facebook page that now has an active membership of 51 organisations.</li> <li>• 210 delegates participated in practical, small group workshops (community development) and 130 took part in 4 meetings during the year.</li> <li>• 117 learners participated in bespoke training which was themed over a range of relevant topics for groups and organisations. DCA also delivered workshops for Club Durham (a network of community-based sports clubs and groups) in order to introduce the Volunteer Passport.</li> <li>• 170 learners took part in DCA's programme of Community Learning courses, a rolling programme for community volunteers of both informal and accredited training.</li> <li>• Working with colleagues in the VCS, DCA started delivery of an action plan for training and promoting safeguarding and risk awareness, together with training for staff and volunteers. The charity contributed to Adult Safeguarding Awareness Week in November by producing and circulating a bulletin for community groups with access links to help and support. In addition, DCA also worked with DBS to provide a training day for front line staff and volunteers.</li> <li>• DCA provided tailored support for three community building groups through consultation which was supported by case work and training to put governance and business planning into place, together with funding advice. All three projects successfully generated additional income for their centres as a result and recruited new volunteers.</li> </ul>
<b>Public benefit</b>	<ul style="list-style-type: none"> <li>• DCA's support and intervention helped to strengthen and sustain community-based services delivered by volunteers and community buildings managed by local people, helping to support vulnerable beneficiaries.</li> <li>• Peer to peer networks for volunteer trustees were expanded and supported, ensuring greater collaboration, shared learning and new initiatives to share resources and costs.</li> <li>• Knowledge and understanding of the current funding climate was improved within the Voluntary and Community Sector.</li> <li>• Volunteers and front-line staff were able to work together, across sectors, to develop good practice and help them to provide stronger support for their clients and user groups.</li> </ul>



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**Objective 3 – Representation and voice.** Championing the interests of local communities with national and local policymakers, and with heads and commissioners of public services.

<b>Priorities</b>	<ul style="list-style-type: none"> <li>• Representing community and voluntary sector interests as a member of the Board of the County Durham Partnership. This enables DCA to collaborate with public sector colleagues to promote joined up policy for commissioning and funding, engaging with communities of interest in the development of new funding programmes, and influence the provision of key services by engagement with Heads of Services.</li> <li>• Encouraging and engaging with public sector providers to align local services with the VCS organisations in their areas.</li> <li>• Disseminating important information and best practice to the sector through a programme of events, conferences and workshops.</li> <li>• Ensuring that the VCS is fully engaged with plans to integrate health and social care across County Durham.</li> <li>• Developing 'Better Together' as an informal network of countywide VCS and specialist providers.</li> <li>• Chairing and supporting the development of the Advice in County Durham multi-agency network as the 'go to' practitioner network for all agencies to come together and join up services. Network members provide advice and one to one casework support across County Durham.</li> </ul>
<b>Achievements</b>	<ul style="list-style-type: none"> <li>• During the year, DCA provided two presentations to the Partnership Board about how the VCS is responding to service cuts, and to plans for social prescribing and Link Workers.</li> <li>• Responded to and contributed to the County Plan pre-submission consultation.</li> <li>• Contributed to the County Durham Environmental Action Plan with two food/growing related proposals: a countywide Pollinator project and to scale up a Leaf Composting project.</li> <li>• DCA provided Chairmanship for the Better Together network, through quarterly meetings of specialist and county wide VCS providers. Themes included support for community enterprise, training for volunteer led organisations, and development of a policy conference focusing on the design and delivery of services to meet increasingly complex mental health needs.</li> <li>• Producing a report for the County Durham Partnership settling the views and issues affecting county wide voluntary sector groups across County Durham.</li> <li>• Coordinating and managing presentations and information exchanges for the VCS and health &amp; social care providers about good practice, particularly in rural areas, regarding social isolation, health and wellbeing services and support for older people on hospital discharge.</li> <li>• Organising and hosting a Policy Conference on behalf of the Better Together network, with the theme of social prescribing.</li> <li>• Collaborating with Durham County Council's Children's Services, and support for the VCS Alliance work, which employs a small team of Children's Services Link Workers to connect community groups and local services that support troubled families.</li> <li>• Continued Chairmanship, staff support and forward planning for the Advice in County Durham Partnership. The Advice Partnership continued to provide a secure referral portal that ensures clients receive the right level of support at the right time (No Wrong Door) and led planning and delivery of a fully subscribed training programme for front line staff and volunteers.</li> <li>• DCA brokered funding via a Service Level Agreement commissioned by Stanley Town Council, on behalf of a partnership of organisations (Citizens Advice and Money Advice) to collaborate in providing money and debt advice services in Stanley.</li> <li>• Led by DCA, the Advice Board is also carrying out risk assessments and development of a governance model for the Advice Partnership, so that</li> </ul>

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	partners are robust enough to manage future investment opportunities, together with any future resultant conflicts of interest that may arise.
<b>Public benefit</b>	<ul style="list-style-type: none"> <li>• Stronger voluntary and community led partnerships are sharing resources and generating new activity. This in turn ensures that the voluntary sector is actively engaged and represented within key public sector led networks.</li> <li>• Collaborative coalitions are working to influence the design and delivery of public service contracts.</li> <li>• Front line voluntary and community sector organisations are better informed and trained about tendering and procurement processes and social value through market engagement exercises and training.</li> <li>• The VCS In County Durham has a strong representational base that is influencing the ways in which public services are shaped.</li> </ul>

**Objective 4 – Health and wellbeing.** Promoting better health through local food and community growing initiatives, supporting new ways of working to provide better local health provision, engaging with local communities to understand their healthcare needs, and then using evidence gathered to seek to influence policymakers and practitioners. Consulting the VCS organisations and service providers to build stronger local connections with primary and social care Teams Around Patients.

<b>Priorities</b>	<ul style="list-style-type: none"> <li>• Support a diverse range of groups and organisations that promote health in their communities, either through local activities and events, or through specialist communities of interest.</li> <li>• Consolidating and developing the Community Growing initiative which provides advice and case support for community led growing schemes (gardens and food initiatives) across County Durham.</li> <li>• Informing and consulting with primary and social care professionals (Teams Around Patients) with respect to VCS engagement with the integration of Health and Social Care.</li> </ul>
<b>Achievements</b>	<ul style="list-style-type: none"> <li>• Establishing and maintaining contact with the Clinical Leads of the 13 Teams Around Patients (TAPs) that have been established via the Integration of Health &amp; Social Care Board; DCA provided four bulletins about VCS activity across County Durham and presented at four area wide meetings for clinical leads. The purpose of the presentations was to explain how the VCS works in thematic and specialist partnerships and where there are particular areas of expertise within the sector that TAPs may find helpful.</li> <li>• Contributing to a Shaping our Health conference, primarily attended by GPs, Practice Managers and NHS staff, plus CCG managers. DCA provided insight and discussion from a rural and VCS perspective into two workshops addressing social prescribing.</li> <li>• Organising and delivering networking events for Care Navigators (GP Receptionists), and Link Workers (employed by Children's Services, Police, Public Health) with follow up developmental sessions.</li> <li>• Coordinating and hosting a VCS Provider Alliance (Wellbeing and Health providers).</li> <li>• Coordinating and leading a Policy Conference about Social Prescribing that attracted delegates from CCG and Public Health, plus elected members and a diverse cross section of specialist VCS provider organisations. DCA subsequently produced a Briefing Paper that was widely disseminated.</li> <li>• Participation on the Board of North Durham CCG Public and Patient Involvement, and continuing to provide regular reports into meetings, with particular reference to rural issues such as equitable access to hospital and other primary care services; supporting consultation with the CCG's and the public about a hospital closure/change of use in a rural area (Derwentside).</li> <li>• Collaborating with Healthwatch County Durham to support their volunteer</li> </ul>

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	<p>base, disseminating information and supporting thematic consultations with communities and members of the public.</p> <ul style="list-style-type: none"> <li>• DCA worked with Public Health to support the development of the Cree Network in County Durham (an initiative that was modelled on the Men's Sheds movement).</li> <li>• Meeting with each of the 45 Cree member organisations and groups, to assess their capacity and interests, and providing funding and governance support and advice. DCA also linked them into local training and networking opportunities to support their volunteers and provided support with marketing and promoting their activities.</li> <li>• Organising and hosting three Cree networking events with Public Health, to consult, and assess strengths and weaknesses. Developing a Quality Mark to trial as a quality/benchmark, so that DCA can support the Cree's in achieving greater levels of consistency in their offer.</li> <li>• Continuing to support and deliver Growing Durham. This is a project that works with community groups, providing support for more people to grow food in community settings, and encouraging and supporting new growing initiatives. This project is linked into the County Durham Food Partnership, that DCA also hosts.</li> <li>• Developing and providing weekly Grub Club sessions, and working with kinship carers, in partnership with a local community centre (Laurel Avenue) to promote food and growing.</li> <li>• On request launching a repeat Growing course for the Recovery College.</li> <li>• Developing an opportunity to deliver gardening on referral from GPs in partnership with the Brandon Medical Practice, using a school allotment at Langley Moor.</li> <li>• Working with Sustain and community gardens to create a community garden map for The Big Dig 2019.</li> <li>• DCA's Community Growers supported the Families Initiative Supporting Children's Health (FISCH) in partnership with the Harrogate &amp; District Foundation Trust, to deliver an allotment project for families with children in Willington. The project involves families, carers and health workers in growing food on their allotment.</li> <li>• Growing Durham worked with the Auckland Castle project in Bishop Auckland to arrange and host an Incredible Edible community growing workshop in the town during February 2019. A speaker from Incredible Edible in Todmorden presented an overview of how they developed their own initiative. There is now an aim to develop a project for Bishop Auckland, which builds on the community garden at Auckland Castle.</li> <li>• Continuing to promote and work with community groups on the VegCities Campaign for County Durham (part of a national initiative co-ordinated by Sustain). The 12 months campaign aims to encourage more people to add vegetables into their diets, and through building better links with procurement and reduction in waste.</li> </ul>
<b>Public benefit</b>	<ul style="list-style-type: none"> <li>• DCA is now actively participating in both the Safeguarding Adults and Safeguarding Children Boards, having established a specialist VCS Providers' Alliance to represent the interests of the VCS and present options for tackling some of the training and capacity issues that the sector is facing.</li> <li>• Contributing a well-received briefing note for community organisations about Safeguarding during Adult Safeguarding Awareness Week and delivering training for volunteer co-ordinators about DBS checks. DCA is now providing co-ordination and a training package for Safeguarding in community services.</li> <li>• GP practices are increasingly familiar with the work of community organisations and refer to DCA for information and advice. As a result, DCA has become better informed about how the sectors use on-line tools; this has been fed into task groups at Durham County Council to influence their</li> </ul>

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	<p>commissioning for new on-line referral and information resources.</p> <ul style="list-style-type: none"> <li>• Cree network members have a structured support programme in place, with funding for the coming year.</li> <li>• Community volunteers and members of the public were better informed about the resources and support available in their area to support healthier living.</li> <li>• A stronger, more comprehensive range of advice and help was made available to support community initiatives, helping to encourage new ideas, and increase levels of engagement from members of the public.</li> <li>• Greater opportunities were provided for one to one support, to make healthier life choices more accessible for people who are isolated through poverty, ill health, or lack of transport.</li> </ul>
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**Objective 5 – Economic development.** Enabling community enterprise by offering advice and support to foster the development of community interest companies and social enterprises.

<b>Priorities</b>	<ul style="list-style-type: none"> <li>• Providing leadership for the Durham Coast and Lowlands Local Action Group to support LEADER projects to develop their outcomes and business cases through to successful approval.</li> <li>• Ensuring opportunities for social and community enterprise are proofed into the County Durham economic strategy and are representing the needs of rural communities.</li> <li>• Supporting the County Durham Local Food Hub to provide marketing advice and support to local food producers, and to broker new distribution outlets for local food.</li> <li>• Supporting the Reaching Out Across Durham (ROAD) Building Better Opportunities initiative.</li> </ul>
<b>Achievements</b>	<ul style="list-style-type: none"> <li>• DCA continued to provide Chairmanship for the East Durham Coast and Lowlands LEADER LAG, planning and hosting four quarterly meetings.</li> <li>• Continued participation on the Board for the Regional Rural Growth Initiative and on NEFRAN (North East Farming and Rural Affairs Network) and assisting with project applications and appraisals for funding.</li> <li>• The Durham Food Hub (Food Durham) continued to provide business support for small/micro food and drink producers across County Durham.</li> <li>• Providing support for a local company to grow sales using on-line channels.</li> <li>• Providing leadership &amp; coordination for Sugar Smart and Veg Cities campaigns for healthier eating.</li> <li>• Hosting the Annual Gathering for the Food Partnership in March 2019, with presentations from Professor Mike Hamm about Community-based Food Systems, and a School Kitchen Manager (Pip Moreton) about the work that she is doing to encourage children to eat more vegetables and to get involved with growing food.</li> <li>• Continuing to host the Public Sector Procurement Group (Food), which has attracted new members and increased commitment in procuring local food. For example, Durham County Council Canteen is now using local butter and cheese.</li> <li>• Securing a Bronze Award for the Food Durham Partnership from Sustainable Food Cities, presented at their annual conference in Cardiff.</li> <li>• Influencing Durham County Council to adopt a Health and Sustainable Food Policy.</li> <li>• Providing generic support and advice for social / community enterprises through start up and growth.</li> <li>• Providing two community navigators for the Durham ROAD (Reaching Out Across Durham) programme, an employability programme for economically inactive people over 25 (hard to reach participants with complex needs).</li> <li>• Working specifically in the remoter rural areas of the Durham dales. The</li> </ul>

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## REPORT OF THE DIRECTORS AND MANAGING TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

	navigators supported participants through entry into volunteering, one to one training, and access to employment.
<b>Public benefit</b>	<ul style="list-style-type: none"> <li>• By providing leadership for the LEADER Local Action Group (LAG), DCA was able to sustain a strong LAG with local knowledge and expertise. The farming sector was also strengthened through support from LEADER, leading to an improved and developing profile for the business sector in East Durham.</li> <li>• Opportunities for social and community enterprise were rural proofed onto the economic strategy for County Durham, ensuring that the needs of rural communities across the county were represented.</li> <li>• DCA delivered a full programme of activity on the edge of Durham City through the Edible Gilesgate project, and gardens are now growing vegetables.</li> <li>• The County Durham Food Partnership also engaged a multi-disciplinary partnership to collaborate on local and county wide initiatives. These aim to bring fresh and affordable food into disadvantaged communities and align resources, knowledge and experience to co-design improved support for community action.</li> <li>• The ROAD project evaluation demonstrated that a one to one approach can be highly effective in assisting economically inactive people, particularly in rural areas, where it is difficult to generate referral levels and sustain support without local connections and knowledge.</li> <li>• Improved integration of funding advice services with regional networks so that communities have access to a broader range of specialist advice and information to support their work.</li> <li>• As public services face increasing contraction, communities in County Durham are more resilient and informed about developing local solutions to local issues and have increased capacity to work entrepreneurially to sustain local services.</li> <li>• Fledgling local businesses are supported with specialist advice, support and new sales opportunities to grow their businesses, providing local employment opportunities and spin off benefits for rural communities.</li> </ul>

## FINANCIAL REVIEW

### Result

The result for the financial year ended 31 March 2019 showed a surplus of £3,262, compared to a deficit of £143,817 in 2018. This was split between a £9,223 unrestricted surplus from the charity's core activities, and a deficit of £5,961 on its restricted activities.

The deficit on restricted funds relates to year on year differences in the timing between funds being received and expended on project activity. The surplus in our day to day activities was encouraging, given the challenging financial climate in which we operate. Continued careful management of costs, combined with a proven track record of delivery, enabled us to continue attracting and delivering additional fully funded activities using our existing staff resources.

### Financial procedures

Our financial planning follows an annual cycle, linked into the business planning and reporting rounds. The draft annual budget for organisational core costs is usually set by the Board of Trustees at the start of each financial year, however the changing nature of income streams means that the budget sometimes needs to be revised after the financial year has commenced. Income and projected expenditure for programmes / projects and work streams during the year are factored into the budget. This is done on a pro rata basis as the reporting and monitoring rounds for projects / programmes are significantly variable, and subject to funders' requirements.

The charity operates an accounting system that ring fences project / programme funding within the



# DURHAM COMMUNITY ACTION LIMITED

## REPORT OF THE DIRECTORS AND MANAGING TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

accounts, ensuring that monitoring and auditing systems are transparent. The Executive Committee undertakes regular monitoring of the budget on a bi-monthly basis, supported by the Finance Department.

Durham Community Action's accounts are subject to a full external inspection on an annual basis. The charity complies with Charity Law by lodging all accounts with the Charities Commission. The accounts are authorised and approved by the Board of Trustees and presented to members for adoption at the Annual General Meeting each Autumn.

Expenditure is maintained using the principle of generally only undertaking fully funded projects and programmes, and monitoring activity against agreed budgets. Wherever possible the charity tries to achieve full cost recovery, however this is often difficult to achieve given the challenging funding climate in which the charity operates.

The aim is to maintain a diverse portfolio of funding sources. Forms of investment in services are also varied and include a balance of income from grants, contracts, commissions and earned income. Sources of funding include:

- Charitable Trusts
- European
- Government
- Health
- Local Authorities

Details of incoming resources for project-based activities are listed in Note 4 to the accounts (page 28).

Surplus cash balances are invested on deposit to earn interest at the best available rate having due regard to the balance between risk and reward.

The charity provides some administrative services for community organisations that also generate a small income. These include training activities, and services such as printing and copying.

In addition, management fees and a small amount of rental income was derived from projects, and this was used to support core activities.

### **Investment powers and policy**

Under the Memorandum and Articles of Association, the Trustees have the power to deposit or invest funds in any manner, including establishment of a trading arm (but to invest only after obtaining advice from a financial expert and having regard to the suitability of investments and the need for diversification). They have adopted a conservative policy on depositing funds and choose only low risk deposits.

### **Reserves Policy**

At 31 March 2019 the Charity's free reserves were £284,768 with an additional £33,222 held in restricted funds that are ring fenced to support specific projects.

The Trustees have forecast that the level of free reserves required to sustain the operations of the charity will be equivalent to a minimum of six months' core costs and redundancy costs, being organisational, management and administrative support costs.

# DURHAM COMMUNITY ACTION LIMITED

## REPORT OF THE DIRECTORS AND MANAGING TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

Details are provided in the table below:

Description	Amount
Total reserves	£317,990
Comprising:	
Restricted funds (ring fenced to support specific projects)	£33,222
Unrestricted funds (see note 17)	£284,768
Less fixed assets	(£22,828)
<b>Free reserves</b>	<b>£261,940</b>
<b>Free reserves are ring-fenced for the following:</b>	
Six months' core costs and estimated redundancy costs	£130,221
Provision of services in 2019-2020	£131,719
<b>Total</b>	<b>£261,940</b>

The Trustees recognise the changing landscape for funding and investment into the charity's work. They have looked closely at the factors that influence change and how they may affect the priorities and future of the organisation e.g. partnership working, changes in professional networks and public policy, reductions in funding for public services, uncertainty about new programmes, and the potential impacts of national or strategic policy changes such as devolution, and the UK's planned exit from the European Union.

### Financial risks

These are considered in the Risk Management section on p17 -18 of this document.

### Plans for future periods

The charity will continue to operate in a manner that is designed to meet its primary objectives as described previously. Development work will be maintained over the coming year with colleagues and stakeholders relating to changing policy on service delivery.

During the year, the charity continued to operate Food Durham Trading Limited as a wholly owned subsidiary to handle commission income generated by the nascent local food hub initiative. This subsidiary ringfences the charity from the risks associated with non-primary purpose trading, however the charity still benefits from income earned through gift aid arrangements. There is representation on the trading subsidiary board through the presence of two charity appointed Directors. The charity obtained specialist legal advice to ensure that the trading subsidiary is structured in a way that minimises financial and reputational risk to Durham Community Action.

The Trustees have convened specifically to consider how the charity prepares and manages for the future. As set out in the Reserves Policy, the Trustees have considered the implications for change, together with an estimated protracted period of uncertainty, that will be exacerbated by the UK's planned withdrawal from the European Union.

## STRUCTURE, GOVERNANCE & MANAGEMENT

### Governing Document

Durham Community Action Limited is a company limited by guarantee and does not have share capital. The charity is governed by Memorandum and Articles of Association that were adopted on 17 October 2013.

The charity is registered with the Charity Commission. Membership is open to any individual or organisation that meets the criteria specified in the Memorandum and Articles of Association. Every member promises, if the Charity is dissolved while he, she or it remains a member or within 12 months afterwards, to pay up to £10 towards the costs of dissolution and the liabilities incurred by the Charity while the contributor was a member.



# **DURHAM COMMUNITY ACTION LIMITED**

## **REPORT OF THE DIRECTORS AND MANAGING TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019**

### **Appointment of Trustees (Executive Committee)**

The Trustees as charity trustees have control of the Charity and its property and funds, however there is no individual exercising significant control (PSC). There must be a minimum of five Trustees and a maximum of 20 Trustees. Any person qualified and wishing to become a trustee must be aged 16 years or over and must either be recommended by the Trustees or be nominated for election by a member of the Charity, in accordance with Article 6.3 of the Memorandum and Articles of Association.

At each Annual General Meeting, one-third of the Trustees must retire who have been longest in office but may offer themselves for re-election or further co-option. As between Trustees with the same length of service, they may agree between themselves who shall retire, but if they cannot agree, the matter will be decided by lot.

The Trustees may at any time co-opt any individual duly qualified to be appointed as a Trustee to fill a vacancy in their number or as an additional Trustee. However, a co-opted Trustee can only hold office until the next AGM and the total number of co-optees at any one time shall not be more than one-half of the elected Trustees.

All the charity's Trustees are volunteers and provide their time freely. Expenses are offered to cover travel costs. Trustees attending appropriate conferences and networking activities for the charity may also be reimbursed for travel costs, conference fees and occasional accommodation when an overnight stay is necessary. No Trustees benefit financially, contractually or materially from their roles.

### **Trustee Induction and Training**

New Trustees undergo orientation meetings to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Executive Committee and decision-making process, the business plan and recent financial performance of the charity. During the induction process they meet key employees and other Trustees. All Trustees are encouraged to attend appropriate external and internal training events.

### **Officers**

The honorary posts of Chair, Vice-Chair and Treasurer are elected by serving Trustees immediately after the Annual General Meeting.

### **Organisation**

Currently membership of the Board of Trustees stands at 9. The Executive Committee meets bi-monthly, and on an ad hoc basis if the necessity arises. There is the facility to establish ad hoc task and finish sub-groups.

### **Key Management Personnel**

The Trustees hold overall responsibility for management of the organisation, its assets, staff and funds. Responsibility for day to day management of the organisation, finance, employment of staff, and for providing support and resources to the Trustees to enable strategic planning and management, is delegated to the Executive Director. She is appointed by the Trustees to manage the operations of the charity and is an employee of the company. Despite the title, the Executive Director is neither a Director of the Company nor a Trustee of the Charity.

The Executive Director manages the charity through a small senior management team, comprising Section Managers for Community Services, Volunteering, and Food & Growing. Governance and finance support is provided by an external contractor, with a good working knowledge of the business. Details of the Key Management Personnel and their costs applicable during 2018-2019 are included in note 8.

### **Pay policy for senior staff**

Salary scales for senior staff are determined by the Trustees having due regard to remuneration for similar roles within the voluntary and community sector, and nationally agreed NJC salary scales for local government posts with comparable levels of responsibility. No employee earned more than £60,000 during the year.

# **DURHAM COMMUNITY ACTION LIMITED**

## **REPORT OF THE DIRECTORS AND MANAGING TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019**

### **Use of volunteers**

The charity provides a comprehensive range of services that promote and support volunteering across County Durham. These services are provided through an NCVO accredited Volunteer Centre. The priorities and achievements for volunteering services are set out in Objective 1 above.

The charity's work is directly supported through the Trustees, all of whom are volunteers. The recruitment and management of casual volunteers is handled through the Volunteer Centre, and there are appropriate policies, procedures, and agreements in place to cover both their recruitment, and their roles and engagement with the charity's staff and work.

### **Related parties & co-operation with other organisations**

The charity's work programme is first and foremost determined by the needs of the communities that it serves, and this reflects the interests of its members.

Wherever possible the charity tries to align its work to prevailing national, regional and local policies and priorities, by working closely with a range of partners, including ACRE, County Durham Partnership, Durham County Council, the Office of the Durham Police, Crime and Victims' Commissioner, and County Durham's two Clinical Commissioning Groups. The charity also endeavours to respond positively to requests from the voluntary and community sector within County Durham, and to various community-based networks and partnerships. As a result, close working relationships are maintained with a range of other organisations, although none meet the related parties' criteria as defined in company law:

- During 2018/19 the charity maintained a Funding Agreement with Action for Communities in Rural England (ACRE) to provide intelligence and information for Defra about particular areas of policy, as it affects rural communities, on a regional and county-wide basis, with respect to economic development, housing, transport, access to services and broadband provision.
- The charity maintains a strong relationship with Durham County Council and is recognised by the Council as the primary voluntary and community sector infrastructure support organisation for County Durham. This provided the council with a single conduit for public sector investment into VCS (Voluntary and Community Sector) support services. During the year DCA worked particularly closely with Public Health, both Adult and Children's Services, Environmental and the Transformation & Partnerships team at Durham County Council. County Durham Constabulary also contributed funds to support work with front line community groups and organisations.
- Health was an important theme during 2018/19. Working with the North Durham, and Durham Dales, Easington and Sedgfield CCG's, DCA developed a programme of work to engage the VCS with emerging governance structured for the Integration of Health and Social Care.
- The charity was represented on and supported a range of networks and partnerships including the County Durham Partnership Board, County Durham Economic Partnership, Regional Rural Growth Network, North East Farming & Rural Advisory Network (NEFRAN), the Better Together VCS Forum, the Advice in County Durham Partnership, and the Greater Northern Group of Rural Community Councils.
- The Food Durham Partnership, and the Volunteer Co-ordinators Forum (a network of over 200 organisations engaged in volunteering across the North East and Yorkshire) were amongst the networks and organisations chaired or supported by the charity during the year.

Durham Community Action was a partner until January 2019 in the Reaching Out Across Durham (ROAD) social-inclusion programme, funded by the European Social Fund and the National Lottery Community Fund. The programme is managed by Groundwork North East & Cumbria, and designed to help residents of County Durham who are out of work and aged 25 and above to overcome barriers to employment.

# DURHAM COMMUNITY ACTION LIMITED

## REPORT OF THE DIRECTORS AND MANAGING TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

### Risk management

The Executive Committee of Trustees has a risk management strategy that comprises:

- An annual review of the risks that the charity may face.
- The establishment of systems and procedures to mitigate those risks identified in the risk assessment.
- The implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

Risks classified as being related to Health and Safety are covered by the implementation of the Health and Safety policy adopted by the Executive Committee. This is monitored by a nominated Trustee. A review of Health and Safety risks is carried out periodically and actions arising from reviews are implemented as appropriate.

Internal financial risks are minimised by the implementation of procedures for authorisation of all transactions and projects, and the separation of duties of both Trustees and members of staff.

The rapid and changing nature of government policy, allied to constraints and cuts to all forms of public and charitable funding, together with funding criteria for the charity's areas of expertise has been identified as the major risk. In addition, the United Kingdom's planned withdrawal from membership of the European Union calls into question a significant source of potential future funding. Together these may lead to reductions in income for the charity.

The reserves allocation policy detailed earlier offsets the actual and contingent liabilities of the organisation against the combined value of all unrestricted funds. This policy allows the charity to continue to operate on a reduced basis until alternative funding arrangements can be put in place.

Key risks for the coming 2-3 years, together with mitigating actions that have already been taken, or which are planned for, are outlined in the table below, and further considered as part of the Reserves Policy and Plans for future periods.

Risk	Nature of Risk	Mitigation
UK withdrawal from the European Union (EU)	<ul style="list-style-type: none"><li>• Lack of certainty over EU funded programmes and investment for economic development.</li></ul>	<ul style="list-style-type: none"><li>• The charity is formally signed into programmes that were signed off in advance of the EU Referendum.</li><li>• Continuing active engagement with the Economic Partnership and Regional Rural Growth Initiative, collaborating with partners to champion investment opportunities for the region, and for County Durham.</li><li>• Closer engagement with the Economic Partnership to monitor, assess and manage fallout from the EU referendum decision.</li></ul>
Further austerity measures and increasing withdrawal of funding for public services.	<ul style="list-style-type: none"><li>• Diminishing opportunities to fund infrastructure, policy and support services for community organisations.</li><li>• Public service priorities focused on crisis interventions and removed from preventative community initiatives.</li></ul>	<ul style="list-style-type: none"><li>• Continuing development of niche specialities within the staff team to allow responsiveness to need, increase our reach and to fill gaps in service provision that open up, ensuring that services are cost effective &amp; meeting needs.</li><li>• Continued close working with thematic partnerships (Volunteering and Advice) to address needs and develop improved collaboration in service provision (shared resources, co-locations and shared intelligence).</li></ul>

# DURHAM COMMUNITY ACTION LIMITED

## REPORT OF THE DIRECTORS AND MANAGING TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

Large scale transfers of public sector services and contracts	<ul style="list-style-type: none"> <li>• Lack of capacity and resources to bid for large contracts.</li> <li>• Payment by results</li> <li>• Bankrolling</li> <li>• TUPE implications</li> </ul>	<ul style="list-style-type: none"> <li>• Ensuring formal, relevant and bid ready consortia are in place with Memoranda of Understanding and partnership agreements.</li> <li>• Spread the risk and share resources and liabilities with a balance of larger and smaller, niche organisations and partners.</li> <li>• Ensure that Durham Community Action retains organisational scale and resources that are sufficient to deliver realistic levels of service, whilst also reacting responsively to opportunities.</li> </ul>
Loss of key staff and skills (in the face of reduced levels of funding)	<ul style="list-style-type: none"> <li>• Capacity for sustaining key relationships, and ability to work responsively.</li> <li>• Resources to build intelligence and sustain the evidence base for influencing and shaping new work.</li> </ul>	<ul style="list-style-type: none"> <li>• Adopt smarter, less labour-intensive approaches to communications, information sharing and making resources available for beneficiaries.</li> <li>• Ensure staff engagement and training programmes are in place, optimising specialist skills and experience within the delivery team.</li> <li>• Enabling closer co-working and collaboration between the charity's staff and partner staff members, thereby adding value to resources and consolidating working relationships.</li> </ul>
Expansion of DCA's activities into non-primary purpose trading activity e.g. Durham local food hub	<ul style="list-style-type: none"> <li>• Financial risks associated with trading activity, including possible corporation tax liabilities and the threat to DCA's charitable status.</li> <li>• Reputational risk arising from poor advice, and product quality issues.</li> </ul>	<ul style="list-style-type: none"> <li>• A separate incorporated trading subsidiary (Food Durham Trading Limited) has been established to ring fence the main charity from financial and reputational risk.</li> <li>• Specialist legal and financial advice to ensure that appropriate governance, legal documentation and accounting systems are in place to properly ringfence the subsidiary.</li> </ul>

# DURHAM COMMUNITY ACTION LIMITED

## REPORT OF THE DIRECTORS AND MANAGING TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

### **Trustees' responsibilities in relation to the financial statements**

The Trustees, who are also the Directors of Durham Community Action Limited for the purposes of company law, are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards 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 charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on 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.

### **Independent examiner**

The members appoint the Independent Examiner at the Annual General Meeting. The Trustees recommend that RSM UK Tax and Accounting Limited be reappointed as Independent Examiner for the ensuing year, and a resolution to this effect will be proposed at the forthcoming annual general meeting.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Signed by order of the Trustees



J Worters MBE  
Chair of Executive Committee  
26 September 2019

# DURHAM COMMUNITY ACTION LIMITED

## INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF DURHAM COMMUNITY ACTION LIMITED FOR THE YEAR ENDED 31 MARCH 2019

I report to the trustees on my examination of the accounts of Durham Community Action Limited ('the company') for the year ended 31 March 2019, which are set out on pages 20 to 38.

### Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145 (5)(b) of the 2011 Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently, I express no opinion as to whether the accounts present a 'true and fair view' and my report is limited to those specific matters set out in the independent examiner's statement.

### Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me reasonable cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Name: Lucy Robson

Relevant professional qualification or body: ICAEW

ON BEHALF OF RSM UK TAX AND ACCOUNTING LIMITED

Chartered Accountants

1 St. James Gate

Newcastle upon Tyne

NE1 4AD

17 October 2019

# DURHAM COMMUNITY ACTION LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019

	Note	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b><u>Income and endowments from:</u></b>					
Donations and legacies	3	-	-	-	95
Charitable activities	4	46,315	542,053	588,368	591,469
Other trading activities	5	15,723	-	15,723	26,719
Investments	6	1,861	-	1,861	828
<b>Total income</b>		<u>63,899</u>	<u>542,053</u>	<u>605,952</u>	<u>619,111</u>
<b><u>Expenditure on:</u></b>					
Charitable activities	7	<u>54,676</u>	<u>548,014</u>	<u>602,690</u>	<u>762,928</u>
<b>Net movement in funds</b>	9	9,223	(5,961)	3,262	(143,817)
Total funds brought forward		275,545	39,183	314,728	458,545
<b>Total funds carried forward</b>	17	<u><u>284,768</u></u>	<u><u>33,222</u></u>	<u><u>317,990</u></u>	<u><u>314,728</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.



BALANCE SHEET  
AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Intangible assets	10		9,000		13,500
Tangible assets	11		13,728		19,698
Investments	12		100		100
			<u>22,828</u>		<u>33,298</u>
<b>Current assets</b>					
Debtors	13	9,772		71,264	
Cash at bank and in hand		383,071		344,848	
		<u>392,843</u>		<u>416,112</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(97,681)</u>		<u>(134,682)</u>	
Net current assets			295,162		281,430
<b>Total assets less current liabilities</b>			<u>317,990</u>		<u>314,728</u>
<b>Income funds</b>					
Restricted funds	17		33,222		39,183
Unrestricted funds	17		284,768		275,545
	17		<u>317,990</u>		<u>314,728</u>

For the year ending 31 March 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies and its members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements were approved and authorised for issue by the Trustees on 26 September 2019 and are signed on their behalf by:



J Worters MBE  
Chair of Executive Committee

# DURHAM COMMUNITY ACTION LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	21		36,362		(94,265)
<b>Investing activities</b>					
Purchase of tangible assets		-		(217)	
Acquisition of investment in subsidiary		-		(100)	
Interest received		1,861		919	
<b>Net cash provided by investing activities</b>			1,861		602
<b>Net cash used in financing activities</b>			-		-
Net increase/(decrease) in cash and cash equivalents			38,223		(93,663)
Cash and cash equivalents and beginning of year			344,848		438,511
<b>Cash and cash equivalents at end of year</b>			<u>383,071</u>		<u>344,848</u>

# DURHAM COMMUNITY ACTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 1. ACCOUNTING POLICIES

#### **Basis of accounting**

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 (FRS102) (effective 1 January 2015) – Charities SORP (FRS102), the Financial Reporting Standard applicable in the UK (FRS102) and the Companies Act 2006.

Durham Community Action Limited is a charitable company limited by guarantee, registered in England. The address of the Charity's registered office and principle place of business is 8 St. Stephens Court, Low Willington, Crook, County Durham, DL15 0BF. The charity meets the definition of public benefit entity under FRS102.

These accounts set out the results of the charitable company only. The Trustees consider that the charity's subsidiary is not material to the group and no consolidated accounts have been prepared in accordance with exemption under section 405 of the Companies Act and Charities legislation.

#### **Going concern**

Financial Reporting Standard 102 requires, if appropriate, the charity's financial statements are prepared on the going concern basis, which means that the charity is able to operate for the foreseeable future on the basis of known and reasonable projected resources. There are no material uncertainties in respect of the charity's ability to continue as going concern. The charity derives its income from a range of sources which minimises its exposure to difficult economic conditions. The charity holds sufficient free reserves to meet medium term core costs as detailed within its' reserves policy. As a consequence, the Trustees believe that the charity is well placed to manage its business risks successfully and thus they have adopted the going concern basis of accounting in preparing the financial statements.

#### **Fund accounting**

##### *Unrestricted funds*

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds in furtherance of the charity's objectives.

##### *Restricted funds*

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure that meets these criteria is charged to the fund, together with a fair allocation of support costs.

#### **Income**

##### *Income from charitable activities*

Income is recognised in the period in which the charitable company has entitlement to the funds, any conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

Grants for immediate expenditure and with no conditions on the delivery of a specific performance by the charity are accounted for when the charity becomes unconditionally entitled to the grant. Grant income where related to performance and specific deliverables which will occur in future accounting periods are deferred and recognised in those periods where the charity earns the right to consideration by its performance. Grants received for specific purposes are treated as restricted funds.

# DURHAM COMMUNITY ACTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 1. ACCOUNTING POLICIES (continued)

#### *Donations*

Donations are included in the Statement of Financial Activities when receivable. In accordance with the Charities SORP (FRS102) general volunteer time is not recognised.

#### *Other income*

Rental & other income are recognised on a receivable basis. Income from insurance commissions is recognised as earned (as services are provided).

#### *Investment Income*

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

#### **Expenditure**

Expenditure is all considered as expenditure on charitable activities. Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party; it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Resources expended are included in the Statement of Financial Activities on an accruals basis. They include:

#### *Project costs*

These relate to the costs of carrying out the activities and services of the charity for its beneficiaries. Where there are costs common to both charitable activities and central functions an apportionment is applied on a reasonable basis, i.e. staff costs for time spent.

#### *Support Costs*

Costs relating to central functions are allocated to activities on a reasonable basis.

#### *Governance costs*

This relates to the costs associated with meeting the constitutional and statutory requirements of the charity and include the accounting fees and costs linked to the strategic management of the charity.

#### **Intangible assets**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

CRM System assets	- 25% straight line
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#### **Tangible assets and depreciation**

Assets are initially measured at cost and subsequently stated at cost less accumulated depreciation. The costs of minor additions or those costing below £500 are not capitalised. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures, fittings and equipment	- 25% reducing balance
Leasehold property improvements	- 4 years straight line

Subsequent costs, including replacement parts are capitalised only when it is probable that such costs will generate future economic benefits. Any replaced parts or remaining carrying amounts are then derecognised. All other costs of repairs and maintenance are charged to the Statement of Financial Activities as incurred.

# DURHAM COMMUNITY ACTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 1. ACCOUNTING POLICIES (continued)

#### **Fixed asset investments**

Fixed asset investments are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in income or expenditure.

#### **Retirement benefits**

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charitable company. The amount charged to the Statement of Financial Activities is the contributions payable in the year. Differences between contributions payable in the year and actually paid are shown as either prepayments or accruals.

#### **Leases**

An asset and corresponding liability are recognised for leasing agreements that transfer to the charity substantially all of the risks and rewards incidental to ownership ('Financial Leases'). All other leases are operating leases.

#### *Operating leases – the charity as a lessee*

The charity classified the lease of properties and equipment as operating leases. Rental charges are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease. Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised, on a straight-line basis over the lease term.

#### **Financial instruments**

The charity has elected to apply the provisions of Section 11 "Basic Financial Instruments of FRS102, in full to all of its financial instruments. All of the charities financial assets and financial liabilities qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

#### **Debtors**

Prepayments are valued at the amount prepaid.

#### **Cash at bank and in hand**

Cash at bank and cash in hand includes cash held at bank and cash in hand.

#### **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 all funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

#### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless these costs are required to be capitalised as an intangible or tangible fixed asset.

Certain employees are entitled to carry forward unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are required.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

# DURHAM COMMUNITY ACTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 1. ACCOUNTING POLICIES (continued)

#### **Critical accounting estimates and areas of judgment**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under circumstances.

#### *Critical accounting estimates and assumptions*

- The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

#### *Critical areas of judgement*

- In categorising leases as finance leases or operating leases, the Trustees make judgements as to whether significant risks and rewards or ownership have transferred to the charity as lessee.
- In recognising income from projects, the Trustees make judgements as to whether the conditions of income have been met.

### 2. TAXATION

The company is a registered charity and is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxable Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

### 3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Donations	-	-	-	95
For the year ended 31 March 2018	95	-		95

# DURHAM COMMUNITY ACTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 4. INCOME FROM CHARITABLE ACTIVITIES

	Core £	Support & Advisory £	Community Development £	Total 2019 £	Total 2018 £
ACRE	46,315	-	-	46,315	50,045
Bishop Auckland Town Council	-	-	-	-	4,458
Durham County Council	-	222,864	22,549	245,413	149,803
Durham Police, Crime and Victims Commissioner	-	10,000	-	10,000	10,000
NHS North Durham Clinical Commissioning	-	46,667	-	46,667	49,100
County Durham and Darlington Foundation Trust	-	-	1,730	1,730	131,158
County Durham Community Foundation	-	-	22,596	22,596	8,927
Tudor Trust	-	-	23,842	23,842	7,691
Esmee Fairbairn Foundation	-	34,621	-	34,621	53,513
Visit County Durham	-	4,755	-	4,755	4,755
West Rainton Parish Council	-	-	-	-	2,775
People's Health Trust	-	4,200	-	4,200	-
Big Lottery Fund (Power to Change)	-	-	-	-	10,558
Northstar Ventures	-	19,490	-	19,490	15,500
Big Lottery Fund/European Social Fund (ROAD)	-	69,406	-	69,406	82,664
Stanley Town Council	-	27,500	-	27,500	-
Soil Association	-	9,034	-	9,034	-
Burnhope Community Centre	-	-	12,500	12,500	-
Other	-	8,946	1,353	10,299	10,522
	<u>46,315</u>	<u>457,483</u>	<u>84,570</u>	<u>588,368</u>	<u>591,469</u>
<b>Analysis by fund</b>					
Unrestricted	46,315	-	-	46,315	
Restricted	-	457,483	84,570	542,053	
	<u>46,315</u>	<u>457,483</u>	<u>84,570</u>	<u>588,368</u>	
<b>For the year ended 31 March 2018</b>					
Unrestricted	50,045	-	-		50,045
Restricted	-	335,659	205,765		541,424
	<u>50,045</u>	<u>335,659</u>	<u>205,765</u>		<u>591,469</u>



# DURHAM COMMUNITY ACTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Insurance income	2,155	-	2,155	3,660
Other	13,568	-	13,568	23,059
	<u>15,723</u>	<u>-</u>	<u>15,723</u>	<u>26,719</u>
For the year ended 31 March 2018	<u>26,719</u>	<u>-</u>		<u>26,719</u>

### 6. INCOME FROM INVESTMENTS

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Bank interest receivable	1,861	-	1,861	828
For the year ended 31 March 2018	<u>828</u>	<u>-</u>		<u>828</u>

### 7. EXPENDITURE ON CHARITABLE ACTIVITIES

	Core £	Support & Advisory £	Community Development £	Total 2019 £	Total 2018 £
Staff costs	(21,159)	396,817	57,290	432,948	591,798
Consultancy	19,950	450	-	20,400	12,501
Meeting expenses	1,505	3,886	1,760	7,151	19,586
Grants to small community groups	-	27,500	-	27,500	12,919
Support costs	48,069	35,611	22,927	106,607	104,434
Governance costs	6,311	1,469	304	8,084	21,690
	<u>54,676</u>	<u>465,733</u>	<u>82,281</u>	<u>602,690</u>	<u>762,928</u>
<b>Analysis by fund</b>					
Unrestricted	54,676	-	-	54,676	
Restricted	-	465,733	82,281	548,014	
	<u>54,676</u>	<u>465,733</u>	<u>82,281</u>	<u>602,690</u>	
<b>For the year ended 31 March 2018</b>					
Unrestricted	141,032	-	3,164		144,196
Restricted	-	377,632	241,100		618,732
	<u>141,032</u>	<u>377,632</u>	<u>244,264</u>		<u>762,928</u>

# DURHAM COMMUNITY ACTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 7. EXPENDITURE ON CHARITABLE ACTIVITIES *(continued)*

#### SUPPORT COSTS

	2019 £	2018 £
Marketing and promotion	13,231	6,498
Cleaning and welfare	4,640	5,042
Electricity and gas	5,674	4,966
Repairs and renewals	4,069	1,421
Insurance	3,374	4,761
Rents payable	27,759	27,110
Water	1,185	1,078
Travel costs	12,234	16,647
Staff training	8,155	7,929
Printing postage and telephone	7,211	9,054
Computer costs	4,872	4,038
Publications and subscriptions	2,249	1,490
Depreciation	10,470	11,621
Bank charges	30	46
Sundries	1,454	2,733
	<u>106,607</u>	<u>104,434</u>

#### GOVERNANCE COSTS

	2019 £	2018 £
Staff costs	-	8,728
Audit & accountancy fees	4,740	4,690
Legal fees	2,721	7,808
Trustees expenses	623	464
	<u>8,084</u>	<u>21,690</u>

### 8. STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL

#### Trustees' emoluments

None of the Trustees received any remuneration during the period, other than the expenses below. There were no related party transactions with Trustees during the period.

The aggregate amount of travelling and subsistence expenses reimbursed to the Trustees during the year was £nil (2018: £nil). The number of persons reimbursed was nil (2018: nil).

#### Employees' emoluments

	2019 £	2018 £
Wages and salaries	375,948	525,527
Social security costs	30,186	45,121
Other pension costs	14,486	23,765
Restructuring costs	12,328	6,133
	<u>432,948</u>	<u>600,546</u>

Staff restructuring costs comprise redundancy payments of £12,328 (2018: £6,113)

No employee earned in excess of £60,000 during the year (2018: 0).

# DURHAM COMMUNITY ACTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 8. STAFF COSTS, TRUSTEE REUMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL (*continued*)

#### Number of employees:

The average number of staff employed by the charity (excluding Trustees) during the financial year was:

	2019 FTE	2018 FTE	2019 No.	2018 No.
Executive Director	1	1	1	1
Field workers	11	15	14	19
Administration	1	3	1	3
	<u>13</u>	<u>19</u>	<u>16</u>	<u>23</u>

#### Key management personnel

The key management of the charity comprise the Executive Director, the Community Support Manager, and the Volunteering Development Manager. Total employee benefits of the key management personnel for the year were £121,895 (2018: £133,926).

### 9. NET OUTGOING RESOURCES

Net incoming/ (outgoing) resources are stated after charging:

	2019 £	2018 £
Fees paid to RSM - independent examination	2,850	2,850
- accountancy services	1,100	1,100
Operating lease rentals - land and buildings	27,110	27,110
- other	3,255	3,255
Amortisation of intangible assets	4,500	4,500
Depreciation of tangible assets	<u>5,970</u>	<u>7,121</u>

### 10. INTANGIBLE FIXED ASSETS

	CRM system assets £
<b>Cost</b>	
At 1 April 2018 and 31 March 2019	<u>18,000</u>
<b>Amortisation and impairment</b>	
At 1 April 2018	4,500
Charge for the year	<u>4,500</u>
At 31 March 2019	<u>9,000</u>
<b>Carrying amount</b>	
At 31 March 2019	<u>9,000</u>
At 31 March 2018	<u>13,500</u>

All intangible assets are held for charitable purposes.

# DURHAM COMMUNITY ACTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 11. TANGIBLE FIXED ASSETS

	Leasehold property improvements £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>			
At 1 April 2018 and 31 March 2019	9,539	52,955	62,494
<b>Depreciation and impairment</b>			
At 1 April 2018	4,174	38,622	42,796
Charge for the year	2,385	3,585	5,970
At 31 March 2019	6,559	42,207	48,766
<b>Carrying amount</b>			
At 31 March 2019	2,980	10,748	13,728
At 31 March 2018	5,365	14,333	19,698

All tangible assets are held for charitable purposes.

### 12. FIXED ASSETS INVESTMENTS

	Investments in subsidiaries £
<b>Cost or valuation</b>	
At 1 April 2018 and 31 March 2019	100
<b>Carrying amount</b>	
At 31 March 2019	100
At 31 March 2018	100

Details of the charity's subsidiary undertaking at 31 March 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held
Food Durham Trading Limited (10885643)	8 St Stephens Court, Low Willington, Crook, County Durham, DL15 0BF	Local food supply projects	Ordinary	100

The aggregate amount of capital and reserves and the result of the subsidiary undertaking were as follows:

	Capital and reserves	Profit/(loss) for the year
Food Durham Trading Limited (10885643)	100	-

The company is wholly owned by the charity but has not been consolidated on the grounds that the inclusion of the subsidiary undertaking is not material.

# DURHAM COMMUNITY ACTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 13. DEBTORS

	2019 £	2018 £
Prepayments & accrued income	7,772	69,264
Amounts owed by group undertakings	2,000	2,000
	<u>9,772</u>	<u>71,264</u>

### 14. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Accruals and deferred income (note 16)	94,783	132,141
Taxes and social security	2,898	2,273
Other creditors	-	268
	<u>97,681</u>	<u>134,682</u>

Included within accruals of £94,783 (2018: £132,141) is deferred income of £89,169 (2018: £117,841) relating to project income received in advance of entitlement.

### 15. FINANCIAL INSTRUMENTS

	2019 £	2018 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	<u>4,321</u>	<u>65,185</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	<u>5,614</u>	<u>14,569</u>

### 16. DEFERRED INCOME

	2019 £	2018 £
Balance at 1 April	117,841	47,342
Amounts released to incoming resources	(117,841)	(47,342)
Amounts deferred in the year	89,169	117,841
Balance at 31 March	<u>89,169</u>	<u>117,841</u>

Income has been deferred as it was received in advance of entitlement. It is expected to be recognised within the next financial year, upon budgeted expenditure being incurred and contract milestones met.

# DURHAM COMMUNITY ACTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 17. CHARITY FUNDS

	Balance at 1 Apr 2018 £	Incoming £	Outgoing £	Transfers £	Balance at 31 Mar 2019 £
<b>Unrestricted funds</b>					
General funds	275,545	63,899	(54,676)	-	284,768
	<u>275,545</u>	<u>63,899</u>	<u>(54,676)</u>	<u>-</u>	<u>284,768</u>
<b>Restricted funds</b>					
RuCANNE	367	-	(367)	-	-
Hallmark Scheme	305	-	(27)	-	278
County Durham Food Partnership	4,031	-	-	(2,800)	1,231
Durham County Council Infrastructure	-	231,087	(230,627)	-	460
County Durham Food Needs Assessment	7,200	-	-	(7,200)	-
Fuel Poverty Fund	18,634	-	(3)	-	18,631
Wellbeing for Life	1,868	-	(57)	-	1,811
Community Growing Project	894	26,750	(25,712)	-	1,932
County Durham Volunteering Celebration	14	1,353	(1,354)	-	13
Community Growing Development Fund	2,770	-	(280)	-	2,490
Bishop Auckland Town Plan	4,458	-	(4,458)	-	-
Reaching Out Across Durham (ROAD)	1,077	69,406	(68,906)	-	1,577
Durham Local Food Hub	761	39,376	(39,067)	-	1,070
Durham Works	-	2,864	(2,864)	-	-
Healthy Communities	(2,733)	22,596	(16,134)	-	3,729
Sugar Smart Campaign	-	1,864	(1,864)	-	-
Big Lottery Fund (Power to Change)	87	-	(87)	-	-
St Johns Hall Community Development Project	(31)	2,190	(2,159)	-	-
Delves Lane Community Development Project	-	296	(296)	-	-
Crook Hall Community Development Project	-	14,485	(14,485)	-	-
Connecting Communities	-	4,400	(4,400)	-	-
Burnhope Capacity Building	(38)	12,500	(12,462)	-	-
Voluntary & Community Sector Engagement	-	46,667	(46,667)	-	-
Community Learning	(481)	7,159	(6,678)	-	-
Northstar Ventures Fresh Ideas	-	19,490	(19,490)	-	-
People's Health Trust - Active Communities	-	4,200	(4,200)	-	-
Club Durham Programme	-	700	(700)	-	-
SFC Co-ordination Fund	-	4,368	(14,368)	10,000	-
Veg Cities	-	2,802	(2,802)	-	-
Advice Services in Stanley	-	27,500	(27,500)	-	-
	<u>39,183</u>	<u>542,053</u>	<u>(548,014)</u>	<u>-</u>	<u>33,222</u>
	<u>314,728</u>	<u>605,952</u>	<u>(602,690)</u>	<u>-</u>	<u>317,990</u>

# DURHAM COMMUNITY ACTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 17. CHARITY FUNDS (continued)

For the year ended 31 March 2018:

	Balance at 1 Apr 2017 £	Incoming £	Outgoing £	Transfers £	Balance at 31 Mar 2018 £
<b>Unrestricted funds</b>					
General funds	338,985	77,592	(141,032)	-	275,545
	<u>338,985</u>	<u>77,592</u>	<u>(141,032)</u>	<u>-</u>	<u>275,545</u>
<b>Restricted funds</b>					
RuCANNE	1,616	-	(1,249)	-	367
Hallmark Scheme	396	-	(91)	-	305
County Durham Food Partnership	4,031	-	-	-	4,031
Weardale Community Buildings					
Improvements	3,164	-	(3,164)	-	-
Durham County Council					
Infrastructure	54,381	110,000	(164,381)	-	-
County Durham Food Needs					
Assessment	7,200	-	-	-	7,200
Fuel Poverty Fund	18,634	-	-	-	18,634
NDCCG Patient Reference Group	9,656	-	(9,656)	-	-
Neighbourhoods Networks	2,250	-	(2,250)	-	-
Wellbeing for Life	-	131,158	(129,290)	-	1,868
Community Growing Project	16,783	16,007	(31,896)	-	894
County Durham Volunteering					
Celebration	479	4,798	(5,263)	-	14
Community Growing Development					
Fund	1,986	197	587	-	2,770
Bishop Auckland Town Plan	3,756	4,458	(3,756)	-	4,458
West Rainton Parish Plan	2,579	2,775	(5,354)	-	-
Reaching Out Across Durham					
(ROAD)	2,629	82,664	(84,216)	-	1,077
Better Health Programme	-	1,600	(1,600)	-	-
Durham Local Food Hub	(9,737)	58,268	(47,770)	-	761
Durham Works	(243)	12,443	(12,200)	-	-
Healthy Communities	-	8,927	(11,660)	-	(2,733)
Sugar Smart Campaign	-	3,136	(3,136)	-	-
Big Lottery Fund (Power to Change)	-	10,558	(10,471)	-	87
St Johns Hall Community					
Development Project	-	10,471	(10,502)	-	(31)
Delves Lane Community					
Development Project	-	14,991	(14,991)	-	-
Crook Hall Community					
Development Project	-	3,020	(3,020)	-	-
Connecting Communities	-	600	(600)	-	-
Burnhope Capacity Building	-	-	(38)	-	(38)
Voluntary & Community Sector					
Engagement	-	47,500	(47,500)	-	-
Community Learning	-	2,448	(2,929)	-	(481)
Northstar Ventures Fresh Ideas	-	15,500	(15,500)	-	-
	<u>119,560</u>	<u>541,519</u>	<u>(621,896)</u>	<u>-</u>	<u>39,183</u>
	<u>458,545</u>	<u>619,111</u>	<u>(762,928)</u>	<u>-</u>	<u>314,728</u>



# DURHAM COMMUNITY ACTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 17. CHARITY FUNDS (continued)

#### Unrestricted Funds

##### General Funds

Unrestricted reserves available to spend on all charitable objectives

#### Restricted Funds

Comprises income to be used for specific projects. Restricted funds may have negative balances at the year-end if a claim for funding is due to be submitted but staff costs have occurred constantly throughout a project.

Name of fund	Description, nature and purpose of the fund
Advice Services In Stanley	Agency arrangement to receive and disburse funding for the provision of Advice in County Durham Services to the community in Stanley.
Bishop Auckland Town Plan	Supporting the development of a community led Parish Plan' covering the Bishop Auckland Town Council area.
Burnhope Capacity Building	Helping to build community capacity by equipping local volunteers with the skills and resources to manage the new Burnhope Community Centre that opened in June 2018.
Club Durham programme	Support, advice, guidance and training for organisations that are part of the Club Durham sports network.
Community Growing Project	Creating a network of new and diverse community growing schemes that will help to improve access to fresh vegetables, herbs and fruit. Supported by the Tudor Trust, County Durham Community Foundation, and Durham County Council (Derwent Valley and Durham City Area Action Partnerships)
Community Growing Development Fund	Development fund to support the community growing schemes project.
Community Learning	Delivered in partnership with Stanley Events, is building community capacity by deliver a range of EU funded accredited and non-accredited vocational training courses
County Durham Food Needs Assessment	Undertaking a food and health needs assessment in County Durham.
County Durham Volunteering Celebration	Annual event funded by corporate sponsorship that recognises the achievements of volunteers, and the value of volunteering across County Durham.
Durham Local Food Hub	Helping to build a more efficient and resilient local food supply chain by linking local producers with businesses wanting to buy local food (hotels, restaurants, cafes etc.). Funded by the Esmee Fairbairn Foundation.
Fuel Poverty Fund	Earmarked to support future work on fuel poverty related initiatives in County Durham.
Hallmark Scheme	Promoting the delivery of effective and well-managed village halls through a quality standards scheme which is backed up by a system of peer 'visitors'.
Healthy Communities – Gilesgate Edible Estates	Funded by County Durham Community Foundation, aiming to engage families and community members in healthy activities e.g. growing some of their own food, taking part in physical activity, sharing knowledge and ideas, build employability skills, exploring outdoor space and making new connections.

# DURHAM COMMUNITY ACTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Northstar Ventures Fresh Ideas Fund	Fund to assist DCA with staffing and professional fees to support the development of DCA's new trading subsidiary, Food Durham Trading Limited.
People's Health Trust – Active Communities	Development support to promote and support applications to the health lottery community grant initiative
Reaching Out Across Durham	Reaching Out Across Durham (ROAD) is a social-inclusion programme, funded by the European Social Fund and the National Lottery Community Fund. It is designed to help residents of County Durham who are out of work and aged 25 and above to overcome barriers to employment.
RuCANNE / ACRE Greater Northern Group	Developing the network of Rural Community Councils in the north-east and secretariat for the Greater Northern Group of RCC's.
SFC Co-ordination Fund	Dedicated staff resource to develop and manage projects delivered through the County Durham Food Partnership. This project is funded through Phase 2 of the Sustainable Food Cities programme supported by Esmee Fairbairn Foundation.
Veg Cities	Working with local authorities, food groups and organisations to encourage local people to grow, cook, and sell more vegetables. Funded through Phase 3 of the Sustainable Food Cities programme supported by Esmee Fairbairn Foundation.
Weardale Community Buildings Improvements	Provision of specialist training support for Community Buildings operating within the Weardale area of County Durham.
Wellbeing for Life	A consortium based holistic approach to healthy living and wellbeing in communities. This is underpinned by a community development approach which is led by Durham Community Action.
West Rainton Parish Plan	Supporting the development of a community led 'Parish Plan' covering the West Rainton & Leamside Parish Council area.

### Transfers

Funds are transferred where agreed with the funding provider, or once projects are complete, and funds are not clawed back.

## 18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

### For the year ended 31 March 2019:

	Unrestricted funds £	Restricted funds £	Total £
Intangible assets	9,000	-	9,000
Tangible assets	13,728	-	13,728
Investments	100	-	100
Net current assets	261,940	33,222	295,162
	<u>284,768</u>	<u>33,222</u>	<u>317,990</u>

### For the year ended 31 March 2018:

	Unrestricted funds £	Restricted funds £	Total £
Intangible assets	13,500	-	13,500

# DURHAM COMMUNITY ACTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Tangible assets	19,698	-	19,698
Investments	100	-	100
Net current assets	242,247	39,183	281,430
	<u>275,545</u>	<u>39,183</u>	<u>314,728</u>

### 19. RETIREMENT BENEFITS

Durham Community Action participates in The Pension Trust's Flexible Retirement Plan, a defined contribution scheme. The Plan is funded and contracted out of the state scheme.

The assets of the scheme are held separately from those of the charity in an independently administered fund. The contributions payable by the charity expensed to income and expenditure amounted to £14,486 (2018: £23,765). Contributions totalling £nil (2018: £nil) were payable to the fund at the year end and are included in creditors.

### 20. COMMITMENTS UNDER OPERATING LEASES

The charity as lessee:

At 31 March 2019 the charity had total future minimum lease payments under non-cancellable operating leases as set out below:

	Land and Buildings		Other	
	2019	2018	2019	2018
	£	£	£	£
Amounts due				
Within 1 year	9,078	20,292	4,238	1,696
Between 2 to 5 years	-	6,764	-	-
	<u>9,078</u>	<u>27,056</u>	<u>4,238</u>	<u>1,696</u>

Leases related primarily to the charity's office buildings and office equipment.

### 21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FROM OPERATING ACTIVITIES

	2019	2018
	£	£
Net movement in funds	3,262	(143,817)
Adjustments for:		
Investment income recognised in statement of financial activities	(1,861)	(919)
Amortisation and impairment of intangible assets	4,500	4,500
Depreciation and impairment of tangible assets	5,970	7,121
Movements in working capital:		
Decrease / (increase) in debtors	61,492	(35,314)
(Decrease) / increase in creditors	(37,001)	74,164
Cash generated from/ (absorbed by) operations	<u>36,362</u>	<u>(94,265)</u>

### 22. LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.