

**Registered number: 3072153**  
**Charity number: 1047625**

**County Durham Community Foundation**

**(A company limited by guarantee)**

**Annual report**

**31 March 2021**



# County Durham Community Foundation

(A company limited by guarantee)

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# **County Durham Community Foundation**

(A company limited by guarantee)

## **Reference and administrative details of the company, its trustees and advisers** **Year ended 31 March 2021**

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### **Trustees**

James Fenwick, Chairman  
Rebecca Armstrong (appointed 10 May 2021)  
Duncan Barrie  
Emily Burns (appointed 11 May 2020)  
Paul Chandler, Vice Chair  
Peter Cook DL (resigned 2 November 2020)  
Ann Dolphin OBE  
Stephen Hall  
Ray Hudson  
Colin Proudfoot

### **Company registered number**

3072153

### **Charity registered number**

1047625

### **Registered office**

Victoria House  
Whitfield Court  
St John's Road  
Meadowfield Industrial Estate  
Durham  
DH7 8XL

### **Company Secretary**

Margaret Vaughan

### **Chief Executive Officer**

Michelle Cooper

### **Independent auditor**

UNW LLP  
Chartered Accountants  
Citygate  
St James' Boulevard  
Newcastle upon Tyne  
NE1 4JE

# **County Durham Community Foundation**

(A company limited by guarantee)

## **Reference and administrative details of the company, its trustees and advisers (continued)**

**Year ended 31 March 2021**

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### **Principal banker**

National Westminster Bank plc  
12 Market Place  
Durham  
DH1 3NG

### **Investment manager**

CCLA  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4ET

### **President**

Sir Paul Nicholson KCVO Kt

### **Patrons**

Harry Banks OBE DL  
Mark l'Anson MBE  
Alasdair MacConachie OBE DL  
Lady Sarah Nicholson DL

# County Durham Community Foundation

(A company limited by guarantee)

## Chairman's statement Year ended 31 March 2021

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In an extraordinary year dominated by the Covid-19 pandemic, County Durham Community Foundation (the Foundation) proved itself well-positioned to support local communities through three lockdowns and the resulting economic hardship. Under the strong and decisive leadership of Michelle Cooper, for which she has now been awarded a MBE, our small team rallied strongly to leverage new funding opportunities, support community groups and provide extensive emergency grant-making.

During the year we were able to award grants totalling £4.9 million (compared to £3.4 million the previous year) to groups and individuals across the region. This takes the total amount awarded since the Foundation was established in 1995 to just under £49 million by 31 March 2021, and during summer 2021 the £50 million milestone has been achieved.

Our grant awards to more than 870 North-East grassroots charitable organisations supported communities across our region dealing with the effects of the pandemic: economic hardship, food and digital poverty, domestic abuse, suicide and a decline in mental health. The demand for hardship funding to support individuals and families in great need also grew considerably and, in total, 380 individuals were assisted through Foundation grants.

Our grant-making received significant support from the National Emergencies Trust (NET), which used the Community Foundation network to distribute £90 million in emergency funding across the country. In total, we delivered over £1.5 million of funding from NET across County Durham and Tees Valley which, together with other funding, brought our total awarding in Tees Valley to £1.7 million over the year. This has led to the Foundation building new relationships and networks in this area, as well as strengthening existing ones, which was particularly important given the disproportionate effects of the pandemic on BAME communities and the growing demographic of these communities in Tees Valley. Although historically much of Tees Valley has sat outside of the Foundation's core grant delivery area, the Foundation felt it completely appropriate to deliver the NET funding into this region when requested, as Teesside (not including Darlington) is not covered by a local community foundation affiliated to UKCF.

Another crucial element of support came from our fundholders, many of whom agreed to release restrictions on their drawdowns to facilitate flexible grant-making. In the long term, the Foundation remains underpinned by its endowment fundholders, and we continue to seek opportunities to grow the Foundation's endowment through individual donations and taking on dormant charitable endowment trusts, re-purposing the funds in line with Charity Commission guidelines to meet today's needs. Over the year, the Foundation took on the residual assets of Derwentside Mind and these will be deployed to support the communities of Derwentside in the future.

We also continue to value and build relationships with companies, public sector partners and owners of windfarms in the region. These relationships are vital in providing long-term year-on-year funds for grant-making. During the year, the Foundation has partnered with the NHS and Cumbria Community Foundation to deliver the Winter Resilience programme (£1.1 million) and commenced the delivery of NHS Charities Together Fund (£1.4 million).

A particular highpoint of the year was the continued success of the ground-breaking Stanley Community Fund, a place-based giving programme which brings stakeholders together for greater impact. The programme has been supported by Stanley Town Council, Durham Constabulary, the Department for Digital, Culture, Media and Sport and Stanley Action Area Partnership. A second round of grants was issued in the year, bringing the total to £190,000 over two years. We now believe place-based giving could become even more pertinent in the years ahead, and the Stanley Community Fund has given us a considerable opportunity to learn and grow effective methods of delivering this.

The pandemic has been a challenge and has highlighted that, whether we are in a time of comparative peace or mid-crisis, we must work together to build good health, wellbeing, and strong communities and to reduce inequality. The Sustainable Development Goals (SDGs) of the United Nations are about bringing 'local good for the global good' and we are pleased that so many other community foundations have followed our lead and chosen to use SDGs to show impact and build common ground. The SDGs give us a clear vision for shaping and communicating our work.

## County Durham Community Foundation

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### Chairman's statement (continued) Year ended 31 March 2021

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As mentioned above, the Foundation was honoured to see chief executive Michelle Cooper awarded a MBE for her outstanding contribution to the community effort through the pandemic. Michelle has unfortunately been off work in the final quarter of the year but we are looking forward to her returning to the Foundation shortly. Over the year, we have been delighted to welcome both Emily Burns and Rebecca Armstrong as valuable new additions to our trustee team but were sorry to see the retirement of Peter Cook as a trustee who has had a very long association with the Foundation and has made an immense contribution to our work. Since the year end, we have with sadness learnt of the death of Lisa Shaw who, as one of our ambassadors, was extremely helpful to the Foundation and we are enormously grateful for the support that she gave us.

Finally, I would like to thank wholeheartedly our president, Sir Paul Nicholson, our tireless patron, Lady Sarah Nicholson, my fellow trustees and all the staff for their continued dedication through the year. Going forward, we will endeavour to lead from the front as a regional grant-making organisation, bringing together the best opportunities and relationships for the good of our region.



James Fenwick  
Chairman

Date:

# **County Durham Community Foundation**

(A company limited by guarantee)

## **Trustees' report**

**Year ended 31 March 2021**

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The trustees present their annual report together with the audited financial statements of the company for the year 1 April 2020 to 31 March 2021. The annual report serves the purposes of both a trustees' report and a directors' report under company law. The trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

### **Objectives and activities**

#### **About County Durham Community Foundation**

Established in 1995, County Durham Community Foundation is an independent grant-making charity and part of a national community foundation network, UK Community Foundations (UKCF), whose secretariat assists and aids the development of individual foundations. It has no influence on the formation of our policies or our operational procedures, which are determined by the Board in conjunction with the senior staff.

The Foundation promotes lasting charitable giving, by connecting donors with their chosen causes, through well-targeted grants that make a genuine difference to the lives of local people, acting as a vehicle for individuals, families and companies who want to put something back into their local community, either in their lifetime or through leaving a legacy.

Since its foundation in 1995, County Durham Community Foundation has awarded grants of over £50 million (by summer 2021) through over 11,500 grants to groups and over 6,300 grants to individuals predominantly across County Durham and Darlington, on behalf of our donors.

Similar to having a charitable trust but without the legal and administrative costs, donors can choose a number of ways to channel their charitable giving, by setting up named funds for causes close to their hearts.

### **Objects of the charity**

The overall aim of the Foundation is to provide grants to approved projects within County Durham and Darlington (and in specified circumstances across the wider North East and the rest of the country), which will be achieved by the growth of its endowment fund to provide long-term income. The Foundation supports and promotes charitable objectives in these areas and has focused on combating social disadvantage and poverty by creating new opportunities in its grant distribution. It receives donations and manages funds for individuals, companies, trusts, Government and other partnership bodies who want to support the local community.

### **Vision**

Bringing people together to achieve their potential, fulfil their aspirations and build thriving communities.

### **Mission**

County Durham Community Foundation promotes lasting charitable giving, by bringing together donors with their chosen causes, through well-targeted grants that make a genuine difference to the lives of local people.

# County Durham Community Foundation

(A company limited by guarantee)

## Trustees' report (continued)

Year ended 31 March 2021

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### Objectives and activities (continued)

#### Founding principles

**Philanthropy:** Our goal is to give something back to the community by building a long-term endowment to support the people of County Durham and Darlington in the future.

**Empowerment:** We aim to enable all members of County Durham and Darlington society, both donors and grant recipients alike, to achieve their potential and fulfil their aspirations.

**Changing Lives:** We want to make a lasting difference to the people of County Durham and Darlington, by supporting the growth and prosperity of the region, whilst at the same time addressing inequality.

#### Achievements and performance

During the latter part of 2019 and into the first few months of 2020 the Trustees commenced a process to review the previous three year strategic plan and establish a strategic plan for the next period. This process was paused at the start of 2020 as it became clear that the focus of the Foundation would be as a funder supporting local communities cope with the impact of the pandemic. It is now planned to develop a strategic plan for the next three year cycle during 2021-2022.

#### Highlights of 2020-2021:

- £4.95 million of grants awarded through 1,253 grants (873 to grassroots organisations and 380 to individuals)
- Grown the organisation's grant making footprint in Tees Valley
- Over £1.5 million of Covid-19 emergency relief funds delivered from National Emergencies Trust funding
- Partnered with local NHS bodies and Cumbria Community Foundation on two significant grant programmes to support the whole of North East
- Moved to home working and paperless grant making processes swiftly during March and April 2020
- Embedded Sustainable Development Goals in impact analysis of grant programme
- Remained a financially resilient organisation strengthening the reserves position.

#### Grant making

Over the course of the year, and prior to any subsequent adjustments, £4,945,774 of grants were awarded made up of 1,253 (2020: 1,160) grants, £4.85 million (2020: £3.24 million) to community groups and £101k (2020: £196k) to individuals. The number of grants to individuals was reduced during the year as some individual grant programmes had to be temporarily closed due to the pandemic. These included the grant programme that funds respite holidays and the programme that funds talented young sports people to attend competitions and events.

The average grant value was £5,550 (2020: £5,147) for community groups and £265 (2020: £372) for individuals.

49% (2020: 44%) of the funding reached the 20% of areas of greatest need using the national index of multiple deprivation and 61% (2020: 58%) of funding reached the 30% most deprived areas.

# County Durham Community Foundation

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## Trustees' report (continued) Year ended 31 March 2021

### Achievements and performance (continued)

Contained within the £4.95 million grants awarded during the year are £1.50 million of grants relating to funding received from the National Emergencies Trust (NETs). NETs is a national charity established in 2019 to act as a single focal point for donors and applicants at the time of a national domestic disaster. At its inception the national community foundation network had been aligned with it, providing an existing conduit to deliver local grassroots grant awarding. NETs mobilised into action in early 2020 as the pandemic took hold. It received substantial donations during the course of the pandemic, and the national community foundation network was contracted to deliver this funding as emergency grant awarding. The Foundation received over £1.5 million during the course of the year from NETs to deliver as grassroots grants to community groups in County Durham and Tees Valley.

In addition to the monies received from NETs the Foundation received funds from local charitable trusts and existing donors to support the Foundation's Covid-19 sustainability fund. The Foundation also worked in partnership with Cumbria Community Foundation to deliver a £1.1 million programme of NHS Integrated Care System (ICS) Winter Resilience monies across North Cumbria and the North East during winter 2020/2021.

### Material grants to institutions

The following institutions received material grants in the context of total expenditure:

<i>Group</i>	<i>No. of grants</i>	<i>Total awarded 2020-2021</i>
NHS Newcastle & Gateshead CCG (ICS Winter Resilience block grant)	1	£169,773
NHS Northumberland CCG(ICS Winter Resilience block grant)	1	£111,139
Preston & Abbey Community Trust	1	£93,905
Stanley Area Youth Consortium	1	£80,000
NHS North Tyneside CCG (ICS Winter Resilience block grant)	1	£73,848
700 Club	9	£50,800
Jack Drum Arts	8	£44,382
Age UK North Yorkshire & Darlington	2	£43,849
Durham Christian Partnership	6	£41,500
Catalyst Stockton-On-Tees	3	£40,623
Inspire South Tyneside	1	£40,000
East Durham Community Development Trust Ltd	4	£38,438
Sacriston Youth Project	6	£38,354
King's Church Darlington	6	£33,500
Darlington Mind	1	£30,000
PACT House Stanley	5	£29,265
Moving On (Durham)	4	£28,150
Upper Teesdale Agricultural Support Services (UTASS)	5	£28,004
Maggie's Newcastle	1	£27,500
The Link (Redcar) CIC	2	£27,456
Hartlepool Carers	6	£27,140
A Way Out	4	£26,147
EVA Women's Aid	3	£25,500
Teesdale Community Resources	6	£25,350
Bullion Community Resource Centre	3	£25,000
Carers Together Foundation	2	£25,000
Durham Community Action	1	£25,000



# County Durham Community Foundation

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## Trustees' report (continued)

Year ended 31 March 2021

### Achievements and performance (continued)

#### Impact of our grant making

Over the past year we have used the UN's Sustainable Development Goals (SDGs) to provide a framework to support our engagement with donors. This has helped shape our understanding of the impact of our grant making during the year. All grants made in 2020-2021 have been allocated to particular societal and/or community issues captured under SDG themes. Some grants may have elements relating to multiple themes but they are attributed to their principle purpose.

<b>Sustainable Development Goals</b>	<b>Amount awarded</b>
Good Health & Wellbeing	£2,857,269
Zero Hunger	£502,886
Sustainable Cities & Communities	£457,239
Reduced Inequalities	£402,820
No poverty	£292,410
Quality Education	£207,268
Life on Land	£90,419
Affordable & Clean Energy	£38,585
Industry Innovation & Infrastructure	£28,138
Climate Action	£20,200
Peace Justice & Strong Institutions	£15,000
Gender Equality	£10,500
Decent Work & Economic Growth	£10,000
Clean Water & Sanitation	£10,000
Life Below Water	£3,040
<b>Total</b>	<b>£4,945,774</b>

The *Good Health & Wellbeing* SDG captures grants made under a number of issues or programme themes:

- Isolation and loneliness
- Mental health
- Physical health
- Substance misuse and addiction
- Wellbeing
- Sports (organised physical activity)
- Recreation (leisure activities)

The impact framework around SDGs has continued to be developed to reflect where and why grants have been most needed and how these meet the UN goals. Further work has looked to embed these across all areas of programming.

This year has seen grant making dominated (as anticipated) by Covid-19 emergency and recovery monies, and influenced by the introduction to programming of national emergency funding (and timescales) both from National Emergency Trust disaster recovery funds but also from central government. This has resulted in a shift in grant allocations towards tackling food poverty, contributing to SDG "Zero Hunger".

External strategic funding contributed to a record annual spend but also required management alongside existing programmes and donor funds to ensure that there was continuity in our core work and grant making.



# County Durham Community Foundation

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## Trustees' report (continued) Year ended 31 March 2021

### Achievements and performance (continued)

The main thematic areas funded during the year 2020-2021 include:

<b>Fund Type</b>	<b>Amount</b>
COVID Emergency & recovery	£1,810,000
Health Funds	£1,092,000
Environment & community capital	£509,000
Youth Social Action	£225,000
Place-based funding	£221,000
Poverty & Hardship	£186,000
Community Safety	£164,000
Education	£105,000
Hardship	£92,000
Windfarms	£60,000
Employment	£20,000
Sport specific	£17,000

The numbers of beneficiaries from amounts awarded in 2019-2020 reported in grant monitoring returns was more than 600,000. The estimated number of beneficiaries (from approved grant applications) in 2020-2021 is estimated to be more than 1 million.

### Major grant programmes

#### Covid-19

Our Covid-19 Community Response appeal was launched at the onset of the national lockdown, and we were able to start getting emergency grants out to charities and community projects immediately.

Since the beginning of March 2020 (when we commenced our Covid-19 awarding) more than £1,888,936 of Covid-19 funding has been awarded to 411 projects with almost 311,000 beneficiaries in the 13 month period to March 2021. Spend comprised of small grants of up to £5,000 to provide essential services and activities, and larger grants up to £20,000 to help hub organisations transition or diversify to support a broader demographic or provide alternative means of support. Of the £1.89 million delivered through Covid-19 awarding £1.81 million was in 2020-2021.

#### Banks Community Fund

This fund is made up of various community benefit funds including eight from wind farms, three from surface coal mines, three from country reserves and one from a landfill site, as well as the Banks Group's own donor advised funds. It supports community organisations that are close to an ongoing development or in an area of interest for the Banks Group. Most of the projects improve or maintain community buildings to provide long-term support for community activities. Historically some of the funding came from the landfill tax credit scheme and so is subject to the regulations of ENTRUST. Over the course of the year, the Banks Community Fund awarded grants totalling £415,062 through 91 awards of which £149,975 (32 awards) came from the landfill tax credit fund.

#### Community Safety Fund

The Foundation delivers grants on behalf of the Police, Crime and Victims' Commissioner. This fund supports projects and initiatives across County Durham and Darlington that help keep communities safe and contribute towards inspiring public confidence. The fund is not aimed at organisations that are already funded directly from core commissioned, statutory policing and community safety activities, but will support projects and initiatives that are additional and work at a local community level. The grant making from this fund, with the support of revenue match funding from the Foundation, led to awarding 19 grants to a total value of £148,041 (2020: £141,038).

# County Durham Community Foundation

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## Trustees' report (continued)

Year ended 31 March 2021

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### Achievements and performance (continued)

#### County Durham and Darlington NHS Health Improvement Fund

When the Primary Care Trusts closed in March 2013, they had residual charitable funds which were determined should continue to benefit the local community for years to come by being gifted as an endowment. In the year, 12 awards were made to the value of £124,407 (2020: £127,941) from this fund with the support of additional revenue match from the Foundation.

#### Community Grant Programme

This fund uses funds pooled from contributions made by various private endowment and annual fund holders. The Foundation makes decisions that support local voluntary and community groups seeking to improve quality of life in County Durham and Darlington. We awarded £153,606 (2020: £60,166) from this fund during the year, supporting 60 local community groups.

#### NHS Integrated Care System Winter Resilience

We were able to further support actions to improve health across the region via a programme of revenue funding tackling health and mental health in the winter months. NHS Integrated Care Systems (ICS) Winter Resilience monies provided grants up to £25,000 to groups working within the field of health and wellbeing, and social care support that have been impacted by COVID 19 and subsequent lockdowns. Across the North East £912,490 was awarded through 38 grants.

#### Wind Farms

The Foundation's management of wind farm community benefit funds continued for another year. We now manage 15 wind farm funds on behalf of developers (not including those under management for Banks Group). This stream of funding has become more and more important for the Foundation, allowing us to award grants that, almost without exception, are located less than three miles from the turbines. Over the course of the year, 44 grants have been provided through wind farms to a value of £233,840 (2020: £332,732).

#### Sherburn House Charity

The focus of Sherburn House Charity is to provide relief to people in need living between the River Tweed and River Tees. The Charity has historic roots and a significant grant-making presence in the region to support both community groups and individuals in need. From January 2017, the Foundation took over the operational delivery of the Sherburn House Charity grant-making programme. In 2021 £177,780 (2020: £117,160) was awarded in 378 (2020: 372) grants; these grants were modest sums of money to support individuals who were experiencing particular hardship. This fund has been supported by revenue match provided by the Foundation.

#### Durham County Council Sport Arts and Culture

We have continued to work in partnership with Durham County Council to deliver community grants programmes to support local sports clubs and local groups engaging in arts and cultural activities. In the year, 18 grants were awarded totalling £34,600.

#### Growth and Resilience Fund

In 2018 the Foundation entered a three-year partnership with Community Foundation Tyne, Wear and Northumberland, Northstar Foundation and the Mercer's Company to support North-East community groups and social enterprises who want to change, survive, adapt and grow in order that they can better address the needs in their communities. In both its first and second year the Foundation has contributed £100,000 to the grant awards made each year. The final year of awarding commenced delivery in Spring 2021.

#### Stanley Fund

Stanley Community Fund, a place-based giving programme, progressed over its second year in partnership with Stanley Town Council, the Department for Digital, Culture, Media and Sport and Stanley Action Area Partnership. The Foundation was able to award £90,922 of larger, longer-term grants to key community groups in Stanley with further funding secured for future years.

# County Durham Community Foundation

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## Trustees' report (continued) Year ended 31 March 2021

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### Achievements and performance (continued)

#### National Lottery SOS Fund

In support of the Stanley Community Fund, National Lottery Community Foundation awarded the Foundation funding over a three-year period to help develop anchor organisations identified through the Stanley place-based theme. This year, £127,500 has been awarded to 8 organisations on a pilot programme to develop capacity.

#### European Social Fund (ESF) Community Grants

The Foundation continued to deliver ESF funded community grants in County Durham during the year. A number of grants were paused during the lockdowns but activities were able to recommence towards the latter part of the year. The focus of the programme is to fund groups that engage with those who are a long way from employment and who need support to develop skills and confidence. Over the course of the contract, over £510,000 in grants will be awarded to groups in County Durham, of which £184,211 had been awarded by the end of March 2021.

#### National programmes - UKCF

During the year, the Foundation has continued to participate in national grant-making programmes on behalf of UKCF. These included:

- #iwill (youth social action programme) delivered across County Durham and Tees Valley, totalling £221,173 to 27 groups.
- National Emergency Trust Funding of £1,583,316 to support Covid-19 emergency awarding, of this amount, £372,999 was from DCMS and £28,205 from the Co-op Group.

### Fund development

The funds listed below were established during the course of the last financial year, for which we are extremely grateful.

#### Endowment Funds added

- Sir Frank Brown's Exhibition Fund for Girls
- Bowes Charity Fund

#### Revenue Funds added

- David Gray Charitable Fund
- Mayor of Darlington CDCF Fund
- National Lottery (SOS) Stanley Fund
- Derwentside Mind Legacy Fund
- Community Connector Fund NHS
- UKCF Made by Sport (Tees Valley, County Durham and Tyne, Wear and Northumberland)
- NHS Integrated Care System (ICS) Winter Resilience
  - North ICP - Northumberland, Newcastle Gateshead, North Tyneside
  - Central ICP – County Durham, Sunderland, South Tyneside
  - South ICP - Tees Valley

#### Revenue Funds solely focussed on Covid-19 emergency funding

- Darlington Covid-19 Emergency Fund
- Covid-19 DCMS NET Tees Valley
- Covid-19 DCMS NET County Durham
- Anglian Water Positive Difference Fund
- SSE Renewables Dogger Bank Wind Farm

# **County Durham Community Foundation**

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## **Trustees' report (continued)**

**Year ended 31 March 2021**

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### **Achievements and performance (continued)**

#### **Endowment**

£242,802 of new donations were added to the endowment fund for long-term grant-making during the year. Pro-active work on trust transfers paused during 2020-2021. However we were able to support Derwentside Mind following a decision by their trustees to wind up the charity to re-purpose their residual funds to deliver a grant awarding programme focusing on the communities of Derwentside. The Foundation is actively participating in the national programme being driven by the Charity Commission, UKCF and supported by community foundations to unlock dormant trust assets.

#### **Revenue**

Thanks to an anonymous unrestricted donation, we continue to be able to support local companies to become involved with the Foundation. It has been heartening during 2020-2021 to see some of the relationships deepen as these new donors got behind the Covid-19 appeals and supported the Foundation's Covid-19 grant awarding.

Following the setting up of three funds in March 2020, in response to the emerging Covid-19 pandemic, during the course of the year a number of funds were established to hold different streams of Covid-19 emergency fund from donors. The Foundation's own Covid-19 sustainability fund benefited from a considerable number of existing endowment fund donors agreeing to transfer their annual grant making drawdown for Covid-19 use and to relax their normal grant making criteria.

#### **Events**

##### **Support for local awards**

As traditional events were put on hold, the Foundation opted to think creatively and support key online events: namely the North East Charity Awards and the County Durham Together Awards. For the former, chief executive Michelle Cooper was on the judging panel, and the event yielded considerable publicity. For the latter, the Foundation supported the Volunteer of the Year award, which came with a considerable package of publicity, both online and in the Northern Echo.

##### **High Sheriff Awards**

Working in partnership with the Sir James Knott Trust and the High Sheriff, the Foundation manages the High Sheriff Awards scheme. For the second year, the Foundation made the awards virtual in line with lockdown restrictions. Sponsors remained supportive and a film company developed the awards to make them more visually appealing to the audience. The event resulted in a considerable growth for our Facebook page. Host Pete Barron made video announcements of the winners and more than a 5,000 page engagements were recorded on Facebook on the day of the event and the following weeks. The event also reached more than 17,000 people. In future years, we anticipate carrying on with a virtual offering alongside the main event, as this considerably raised our profile with the groups we support.

The awards are aimed at voluntary groups working to divert crime by engaging young people in positive activities and encouraging citizenship. A panel of sponsors, local stakeholders and Foundation trustees made 15 awards in total, with prizes ranging from £500 to £2,500.

# County Durham Community Foundation

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## Trustees' report (continued) Year ended 31 March 2021

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### Achievements and performance (continued)

#### Communications

##### Annual review 2019-2020

The Foundation again opted for a much shorter and sleeker version of our annual review which highlighted the way in which our grant-making changes lives, alongside our financial performance. Evolving from last year, short videos were included in the online version, to improve accessibility and bring our mission to life.

#### Media Coverage

We continue to receive regular press coverage in regional newspapers. Our CEO, Michelle Cooper, has been featured in several publications including Wear Business, Luxe Magazine, Life in Durham, The Dunelmian, Business IQ and regional press such as The Northern Echo; as well as being interviewed on BBC Radio Newcastle and BBC Tees. Michelle's MBE led her to be listed on two 'Most Influential' lists and led to some outstanding coverage – showing how well-regarded she is in the charity and business sector.

#### Website

The website commissioned in 2019 has continued to serve us well, with minor upgrades. The Sustainable Development Goals have now been embedded into each case study on the Make a Difference page, and the donate button now links to a more professional CAF account rather than a Just Giving account. After winning a place on a MediaTrust mentoring programme, the Foundation is now considering other adjustments in line with the upgrade budget.

#### Leadership

The Foundation is a member of the following strategic boards that affect the Sector including:

- **County Durham:**  
VCS Better Together Group  
VCS Working Group  
County Durham Economic Partnership Board
- **Darlington:**  
Darlington Partnership Board
- **North East:**  
North East Charity Awards Judging Panel
- **National:**  
UKCF Board  
UKCF QA5 Moderation Committee

#### Future activities

The impact of Covid-19 in the North East has been significant. The health inequalities that existed before, as highlighted in the 'Marmot Review' (February 2020) and more recently 'Townscapes' (Bennett Institute, Cambridge University May 2020), have not gone away. Indeed, health inequality, which is intrinsically linked to financial inequalities and poverty premium, is likely to be even worse in our region post-pandemic.

# County Durham Community Foundation

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## Trustees' report (continued)

Year ended 31 March 2021

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### Achievements and performance (continued)

Therefore, it is important for the Foundation to be flexible and supportive in its grant-making through 2021-2022. It will be a year where we seek to listen to the needs of our communities, understand the funding wishes of small charities and community groups we support and wherever possible adapt, flex and evolve our grant-making.

However, with limited funding available we know we cannot meet the needs of everyone, and we will be seeking to work collaboratively with other funders to ensure there is meaningful support for small groups and charities in our region.

Building on the significant grant awarding delivered into Tees Valley communities during 2020-2021, we will continue to build relationships with key partners in that region to understand how the Foundation can best serve the needs of these communities as a local and regional grassroots funder. As part of this the Board is planning to review the organisation's Charitable Objects in relation to grant making geographies.

The Foundation will continue to develop its understanding of the impact of its grant making through using the framework of the SDGs. This will be coupled with development of the organisation's key messages and refreshing the materials in all communications channels building on the website relaunch (following these activities being paused during 2020-2021)

### Financial review

The format of the Annual Accounts and certain accounting policies have been prepared in accordance with the requirements of the Charities SORP, 'Accounting and Reporting by Charities', in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

On this basis the endowment fund at 31 March 2021 stood at £17,334,700 (2020: £15,195,905), an increase of £2,139,795. New endowment donations for the year were £242,802. The poor market performance in the latter part of 2019-2020 was overturned by strong performance during 2020-2021.

The Statement of Financial Activities shows the movement in the year on the Foundation's unrestricted and restricted funds. The year end balances on the restricted funds are available in their entirety for future grant-making and other direct charitable expenditure.

Our main funders are:

- Public sector departments (grants and administration);
- Private fund holders (endowment, grants and administration);
- Landfill and wind farm operators (grants and administration); and
- Charitable trusts.

During 2020-2021 the organisation benefited financially from being contracted to deliver Covid-19 emergency funding. This resulted in very strong levels of unrestricted income being received. The nature of the restrictions of lockdown meant that some activities had to be deferred allowing staff time to focus on emergency grant making. The cost base of the organisation remained at planned levels but the organisation was able to deliver higher than budgeted levels of grant making. This resulted in an unrestricted operating surplus of £292,140.



# County Durham Community Foundation

(A company limited by guarantee)

## Trustees' report (continued) Year ended 31 March 2021

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### Reserves policy

The Foundation's reserves policy states that the basis for determining the appropriate level of reserves considers the costs of closure of the organisation, short-term running cost commitments and any existing commitments to deliver contracted pieces of activity (with these factors being derived as a range of values for each factor). As at end of March 2021, based on this policy, we had unrestricted free reserves of £609,051 which was slightly higher than the reserves range as defined by the organisation's reserves policy which gives a range of £338,000 to £532,000. In addition, the Foundation has access to £361,204 of investments that "in extremis" could be used to support the running of the organisation.

During 2020-21 the reserves policy was reviewed as planned. In light of the current uncertainty about future income streams, the trustees feel that it is appropriate at the present time to carry unrestricted reserves that are at the higher end of a required range. In taking this decision the trustees are mindful that the Foundation is delivering a number of grant programmes that have the contractual provision for clawback and holding an element of reserves against this risk is prudent.

Looking ahead, it is the intention of the trustees to review the Reserves Policy and consider whether it needs reformulating to support the organisation as it grows and might wish to deliver larger contracted programmes across a wider geography than just County Durham.

The unrestricted funds balance at 31 March 2021 stood at £619,711 (2020: £327,571).

Excluding the ESF Community Grants programme which is managed on a defrayed payment basis, there are no material funds in deficit. A funding stream from DCMS contracted via NETs does contain the provision of clawback if grant recipients fail to deliver on planned activities. This potential clawback risk is well within the capacity of the existing reserves position.

### Investment policy and objectives

The Articles of Association provide wide powers of investment and the Foundation's assets are invested by the investment managers to provide an annual income for grant-making.

The Foundation holds material endowment investments, which were managed by investment managers CCLA Investment Management in 2020-21. The Board monitors investment performance closely at each Board meeting.

The Foundation's overall investment objective is to develop an endowment fund that underpins its mission of providing sustainable support to local communities in the long-term. We aim to achieve a balance between meeting current needs and growing the overall size of the endowment to meet future need. We recognise the need to achieve a balance between risk and return, whilst investing within the remit of the Foundation's ethical policies.

The investment objectives are:-

- To hold and invest donors' funds in a prudent manner.
- To generate a sufficient return net of fees to enable the level of annual distribution agreed by the Board each year (currently set at 4% to distribute, plus c1.6% to cover costs).

Investment principles:

- The Foundation is a long-term investor.
- We have a medium to high risk tolerance.
- We will operate in accordance with the Foundation's statement of ethical investment principles.
- We will invest in a diversified portfolio of investments.
- Investments will principally be in equities, bonds and cash (including collective investment vehicles in these categories). We are open to recommendations to invest in other classes of asset, but do not currently expect to invest in direct property holdings or derivative instruments.

# County Durham Community Foundation

(A company limited by guarantee)

## Trustees' report (continued)

Year ended 31 March 2021

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### Investment performance

At the year end, the endowment portfolio stood at £17,334,700 (2020: £15,194,905). The Charity's investment managers, CCLA, had a strong year and weathered the impact of Covid-19 in the early part of 2020 well, returning an overall total return for the 12 months to 31 March 2021 of +24.36% against their benchmark comparator of +22.9%. Performance of investments in their Ethical Investment Fund matched those in their main Charities Official Investment Fund which is where most of our funds are invested. This was in the top quartile of results from any UK-based investment manager for charitable investments. The Board agreed that during the year 2020-21, 4% of the endowment value of the majority of funds was drawn down for grant-making activity, and a further amount of 1.6% was used as a contribution towards organisational running costs. The grant drawdown was taken in two tranches – the first 25% taken at the start of the year and then the remaining 75% taken 1 July 2021. This was done in response to the volatility of the market around the start of the year. This level of drawdown is in line with our practice for several years and represents what the Board believes is a sustainable long-term level of distribution. A small number of endowment funds are held under the Community First scheme (a match funding scheme that was available a few years ago), and these funds are subject to their own drawdown rules that are akin to those executed by the Board for funds totally in its control.

The amount drawn down for running costs is allocated to individual funds according to the endowment fee structure introduced in April 2016, which makes allowance for the relative complexity of funds. As the organisation entered 2021-22 the markets were felt to be less volatile than the same time 12 months previously and the drawdown of monies has happened in one tranche rather than being phased as it was in 2020-21.

The organisation continues to use Flagstone (an online portal that is a cash savings platform giving access to a wide number of deposit accounts from different providers) as a tool for supporting the management of cash holdings. The tool has enhanced the ability of the organisation to access a wide range of interest-bearing deposit accounts, without having to open an account with each provider.

### Other charities

County Durham Community Foundation is sole Trustee of the following charities where we have been granted a linking direction under section 96(6) of the Charities Act 1993:

- John T Shuttleworth Ropner Memorial Trust (charity number 227186), which provides financial assistance to individuals in need of convalescence or respite care;
- King Edward VII Memorial Fund (charity number 231287), which supports local hospices and hospitals;
- Hylton House Fund (charity number 252762), which provides financial assistance to individuals with cerebral palsy and related disabilities, their families and carers;
- Darlington Education Trust (charity number 514784) which supports pupils of the ten secondary schools and colleges of the Borough of Darlington;
- Stanhope Castle School Charitable Trust (charity number 1040989), which supports young people (under 25) who are, or who have been, in the care of, or provided accommodation by, or under the supervision of the local authority in County Durham, Tees Valley (formerly Cleveland), Gateshead, South Tyneside or Sunderland;
- East Howle Trust (charity number 1077104) which promotes the education of individuals in the parish of Ferryhill;
- Durham Community Business College Trust (consisting of John Hewison Prize Fund (512807) and William Neesham Education Fund (1012239) which promotes the education of individuals who have attended or are attending Durham Community Business College
- Durham Johnston Educational Foundation (charity number 527394) which promotes the education of individuals who attend or have attended secondary schools within Durham City.

Details of these funds can be seen in Note 15 of these accounts.



# County Durham Community Foundation

(A company limited by guarantee)

## Trustees' report (continued) Year ended 31 March 2021

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### Structure, governance and management

#### Constitution

The Foundation is a company limited by guarantee No 3072153 and is governed by its Memorandum and Articles of Association, as amended on 7 December 2015. It is a registered charity No 1047625 and an enrolled environmental body with ENTRUST (No 581043).

#### Trustees

The Foundation has powers to appoint a President and Patrons. The managing body is the Board of Trustees, who also act as directors of the Company. Trustees are elected or appointed by members at the Annual General Meeting. Trustees of the Board are nominated for election by members of the Company and current Directors are due for re-election on a three-year cycle at the Annual General Meeting.

#### Board of Management

The Board of Management is the Board of Trustees, which manages the Foundation. It meets quarterly and has a maximum of 14 members; it comprises a wide range of professionals who live, work or have an interest in County Durham and Darlington (and the wider North East region), including members from the public, private and voluntary sectors. The Board is responsible for the development, implementation and management of the organisation's strategy. It also appoints working groups and sub-committees to manage specific activities where necessary and appropriate, and a range of grant-making panels are used so decisions can benefit from a wider range of individuals with local knowledge and interests.

Members of the Board act in a voluntary capacity. Board members have considerable day-to-day involvement in the Foundation's affairs. None of the Board members have a direct beneficial interest in any of the funds.

A Chief Executive is appointed by the trustees to oversee the strategic direction of the organisation. A Chief Operating Officer supports the Chief Executive in managing the day-to-day operations of the Foundation. To facilitate effective operations, the Chief Executive, Michelle Cooper, has delegated authority, within the terms of delegation approved by the trustees, for matters including finance, employment and project management-related activity.

During this financial year, there were four meetings of the full Board (all held virtually), which received reports from three constituted sub-committees. The Foundation's Grants committee was formally dissolved in July 2019, with the Board assuming responsibility for developing and implementing grant-related activity.

The trustees who have served during the year are listed below with membership of sub-committees indicated:

Rebecca Armstrong	
Duncan Barrie	Audit (Chair)
Emily Burns	
Paul Chandler	Board Vice Chair, Resources and Policies (Chair), Nominations/Remuneration,
Peter Cook	Nominations/Remuneration, Resources and Policies
Ann Dolphin	Audit, Nominations/Remuneration
James Fenwick	Board Chairman, Nominations/Remuneration
Stephen Hall	Resources and Policies
Ray Hudson	
Colin Proudfoot	Resources and Policies

# County Durham Community Foundation

(A company limited by guarantee)

## Trustees' report (continued)

Year ended 31 March 2021

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### Structure, governance and management (continued)

In addition to the trustees serving on sub committees we are grateful for the support of David Martin (a former trustee) who, during the year served on the Audit Committee.

### Nominations committee and trustee appointment

The Nominations Committee (which also acts as a Remuneration Committee for Senior staff) met formally during the year. Discussions about Board membership have been held within the context of full Board meetings. The committee also reviewed senior staff pay during the year.

### Audit

The Foundation's records are subject to audit by a number of regulatory/funding bodies in addition to our statutory auditor. These currently include ENTRUST and the European Social Fund.

During the year, the Audit Committee continued to oversee the management of the Foundation's financial, operational and compliance systems and protocols, to advise on the effectiveness and efficiency of those systems and protocols, and to monitor risk management processes.

### Equality, Diversity and Inclusion

The Foundation embraces diversity and attaches great importance to equality of opportunity in the way in which it relates to all of its donors, applicants for funding and support, its employees, Board members, volunteers and all other customers. The Foundation recognises that this is an area that continues to require focus. A Board trustee has been appointed who holds a specific interest and knowledge in this area. An outcome of grant awarding during Covid-19 to support communities in Tees Valley has meant that the breadth of diversity in our grant awarding has grown. We are engaging with groups who bring a wider diversity to our grant making to understand barriers to grant applications and how to best support their communities.

### Membership

The organisation maintains a list of members; membership is open only to trustees and is terminated if the member concerned ceases to be a trustee.

### Insurance

The Foundation has the following insurance that covers Board members and decisions of the Board:

- Public Liability
- Employer's Liability
- Trustee Indemnity
- Professional Indemnity

### Political neutrality

The Foundation conducts its affairs in a non-political way and does not align itself to any political party or policy.

# County Durham Community Foundation

(A company limited by guarantee)

## Trustees' report (continued) Year ended 31 March 2021

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### Structure, governance and management (continued)

#### Public benefit

The Foundation's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The Board of Trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales. The trustees have considered this guidance in deciding what activities the Foundation should undertake and are satisfied that they have met the organisation's charitable purposes.

#### Organisational structure

A team, currently (July 2021) comprising eight full-time and one part-time member of staff, managed by Michelle Cooper, Chief Executive, work together to manage the day-to-day running of the organisation and implement the organisation's strategy. During the absence of the CEO during the final quarter of the year Margaret Vaughan took on her responsibilities as Acting CEO.

During much of 2020-2021 the staff team worked remotely with the office being shut for some of the year or only used for critical activities. As at July 2021, the organisation has adopted a hybrid approach to working patterns with staff spending some time in the office each week and some time working remotely.

All Board, staff and volunteers undertake an induction programme and are given a handbook, which includes the Foundation's policies and procedures. These policies are reviewed regularly by the Board through their sub-committee structure.

The remuneration of senior staff is reviewed by the Nominations and Remuneration Committee. Senior staff salaries are set taking due regard to local relevant benchmarks and reviewed annually. No member of staff is linked to a performance-related pay programme. During the year one member of staff received remuneration more than £60,000 (2020: 1).

#### Volunteering

The pandemic limited the opportunities for volunteers to support the staff team in the office. One volunteer was able to support the organisation prepare for Quality Accreditation stage 5 (QA5).

Apart from our trustees who give up huge amounts of time to help us manage the organisation, we have numerous grant-making panels that contribute to important decisions on how money should be spent.

#### Quality standards

The Foundation currently holds UKCF Quality Accreditation - Stage 4. During 2021 all Community Foundations who are part of UKCF network are participating in QA5. This involves each Community Foundation submitting evidence of how it meets 14 standards relating to key topics such as governance, grant making and philanthropy. This process will identify areas that require focus going forward. It is planned that the process will also facilitate a stronger level of sharing of good practice between Community Foundations.

The Foundation is keen to encourage Board members and staff to take advantage of conferences, seminars and training on matters related to the Foundation's business. This is in addition to ongoing 'in-house' training sessions and bespoke personal development plans which are discussed regularly in supervision sessions and appraisals. During the year, online training modules have been undertaken by staff in a variety of topics including GDPR refresher, whistleblowing and working from home.

# County Durham Community Foundation

(A company limited by guarantee)

## Trustees' report (continued)

Year ended 31 March 2021

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### Structure, governance and management (continued)

#### Linking direction (formerly uniting direction)

We have been granted a linking direction under section 96(6) of the Charities Act 1993, which unites Hylton House Fund, Stanhope Castle School Charitable Trust, John T Shuttleworth Ropner Memorial Trust, King Edward VII Memorial Fund, Darlington Education Trust, Durham Community Business College Trust, East Howle Trust and Durham Johnston Educational Foundation with the Foundation for registration and accounting purposes. This allows us to prepare a single annual report and aggregated set of accounts for these charities. It does not constitute an amalgamation of the charities, which remain separate and legally distinct. The Foundation is sole trustee for these eight charities.

#### Risk management

The Foundation takes responsibility for assessing risk seriously and has a thorough operational risk register and assessment policy. The risk management framework is overseen by the Audit Committee with the Resources and Policies Committee responsible for the implementation of strategies to manage risk. Key changes to the risk register are highlighted and reviewed regularly by other sub-committees, and the Board receives an overview of key risks.

As a grant-making charity, we also undertake an analysis of risk associated with applications for funding as part of our assessment procedures, which are detailed in a grant risk assessment framework. The Foundation also has a Donation Acceptance Policy to support the Board of Trustees and management consider the appropriateness and suitability of all offered donations (gifts).

#### Key risks identified:

- Sustainability of business model
- Adequate reserves
- Loss of key staff

An action plan and management controls are included in each risk framework. Two of the three key risks identified (sustainability of business model and adequate reserves) have been felt to lessen in severity during the year. The risk relating to the resilience of the staff team remains high due to the acceptance that 2020-2021 has involved challenging times for all staff members, whether that be coping with loss, coping with parent or family illness, adjusting to working remotely and the impact of lockdown. The Board remains alert to the need to ensure that well being of staff remains a high priority during 2021-2022.

#### Disclosure of information to auditor

Each of the persons who are trustees at the time when this Trustee's report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

## **County Durham Community Foundation**

(A company limited by guarantee)

### **Trustees' report (continued)**

**Year ended 31 March 2021**

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#### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and UNW will therefore continue in office.

We take the opportunity to thank UNW LLP for their advice during the year and assistance in the course of auditing the accounts.

Approved by order of the members of the Board of trustees on 27 July 2021 and signed on their behalf by:



**James Fenwick, Chairman**

## County Durham Community Foundation

(A company limited by guarantee)

### Statement of Trustees' responsibilities

Year ended 31 March 2021

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The trustees (who are also the directors of County Durham Community Foundation for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the Board of Trustees on and signed on its behalf by:





## **Independent auditor's report to the Members of County Durham Community Foundation**

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### **Opinion**

We have audited the financial statements of County Durham Community Foundation (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, the income and expenditure account, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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





## **Independent auditor's report to the Members of County Durham Community Foundation (continued)**

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### **Other information**

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

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

We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability





## **Independent auditor's report to the Members of County Durham Community Foundation (continued)**

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to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

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

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the trustees and other management (as required by auditing standards) and from inspection of the charitable company's legal correspondence, and we discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

Firstly, the charitable company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies and charities legislation) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly the charitable company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect; data protection and certain aspects of company legislation, recognising the nature of the charitable company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. Through these procedures, we became aware of actual or suspected non-compliance and considered the effect as part of our procedures on the related financial statement items. The identified actual or suspected non-compliance was not sufficiently significant to our audit to result in any further disclosure within our report or the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial



## **Independent auditor's report to the Members of County Durham Community Foundation (continued)**

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Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

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

A handwritten signature in dark ink, appearing to read 'Anne Hallowell'.

**Anne Hallowell BSc DChA FCA (Senior Statutory Auditor)**  
**for and on behalf of UNW LLP, Statutory Auditor**  
Chartered Accountants  
Newcastle upon Tyne

27 July 2021

# County Durham Community Foundation

(A company limited by guarantee)

## Statement of financial activities Year ended 31 March 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income and endowments from:</b>						
Donations and legacies	2	155,416	-	-	155,416	251,792
Charitable activities	3	-	5,091,990	242,802	5,334,792	3,066,235
Investments	4	28,004	526,485	-	554,489	535,621
<b>Total income and endowments</b>		<b>183,420</b>	<b>5,618,475</b>	<b>242,802</b>	<b>6,044,697</b>	<b>3,853,648</b>
<b>Expenditure on:</b>						
Raising funds	7	167,324	-	-	167,324	162,808
Charitable activities	5	362,115	4,921,762	10,000	5,293,877	3,270,150
<b>Total expenditure</b>		<b>529,439</b>	<b>4,921,762</b>	<b>10,000</b>	<b>5,461,201</b>	<b>3,432,958</b>
<b>Net (expenditure) / income before net gains/(losses) on investments</b>		<b>(346,019)</b>	<b>696,713</b>	<b>232,802</b>	<b>583,496</b>	<b>420,690</b>
Net gains/(losses) on investments		-	-	3,112,493	3,112,493	(518,434)
<b>Net income / (expenditure) before transfers</b>		<b>(346,019)</b>	<b>696,713</b>	<b>3,345,295</b>	<b>3,695,989</b>	<b>(97,744)</b>
Transfers between funds	14	638,159	567,341	(1,205,500)	-	-
<b>Net result before other recognised gains and losses</b>		<b>292,140</b>	<b>1,264,054</b>	<b>2,139,795</b>	<b>3,695,989</b>	<b>(97,744)</b>
<b>Net movement in funds</b>		<b>292,140</b>	<b>1,264,054</b>	<b>2,139,795</b>	<b>3,695,989</b>	<b>(97,744)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		327,571	3,937,264	15,194,905	19,459,740	19,557,484
<b>Total funds carried forward</b>		<b>619,711</b>	<b>5,201,318</b>	<b>17,334,700</b>	<b>23,155,729</b>	<b>19,459,740</b>

The notes on pages 31 to 52 form part of these financial statements.

## County Durham Community Foundation

(A company limited by guarantee)

### Summary income and expenditure account

Year ended 31 March 2021

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	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Gross income in the reporting period	183,420	5,618,475	5,801,895	3,310,694
Less: Total expenditure	(529,439)	(4,921,762)	(5,451,201)	(3,432,958)
Net expenditure/(income) for the reporting period	<u>(346,019)</u>	<u>696,713</u>	<u>350,694</u>	<u>(122,264)</u>

Transfers of £1,205,500 were made to the unrestricted and restricted funds from the endowment funds during the year (2020: £105,735 transferred to the endowment funds) resulting in total net income/(expenditure) of £1,558,694 (2020: (£227,998)).

The notes on pages 31 to 52 form part of these financial statements.

# County Durham Community Foundation

(A company limited by guarantee)

## Balance sheet At 31 March 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	10	10,660	10,968
Investments	11	18,194,758	14,910,499
		<u>18,205,418</u>	<u>14,921,467</u>
<b>Current assets</b>			
Debtors	12	203,803	142,167
Short term cash deposits		3,646,769	3,399,286
Cash at bank and in hand		1,936,513	1,532,236
		<u>5,787,085</u>	<u>5,073,689</u>
Creditors: amounts falling due within one year	13	(836,774)	(535,416)
<b>Net current assets</b>		<u>4,950,311</u>	<u>4,538,273</u>
<b>Net assets</b>		<u><u>23,155,729</u></u>	<u><u>19,459,740</u></u>
<b>Charity funds</b>			
Endowment funds	14	17,334,700	15,194,905
Restricted funds	14	5,201,318	3,937,264
Unrestricted funds	14	619,711	327,571
<b>Total funds</b>		<u><u>23,155,729</u></u>	<u><u>19,459,740</u></u>

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

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the trustees on 27 July 2021 and signed on their behalf by:



James Fenwick, Chairman

Company registered number: 3072153

The notes on pages 31 to 52 form part of these financial statements.

# County Durham Community Foundation

(A company limited by guarantee)

## Statement of cash flows Year ended 31 March 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	17	<b>277,205</b>	(213,493)
<b>Cash flows from investing activities:</b>			
Dividends, interests and rents from investments		<b>554,489</b>	535,621
Purchase of tangible fixed assets		<b>(8,168)</b>	(7,211)
Proceeds from sale of investments		<b>587,265</b>	320,551
Purchase of investments		<b>(759,031)</b>	(762,443)
<b>Net cash provided by investing activities</b>		<b>374,555</b>	<b>86,518</b>
<b>Change in cash and cash equivalents in the year</b>		<b>651,760</b>	<b>(126,975)</b>
Cash and cash equivalents at the beginning of the year		<b>4,931,522</b>	5,058,497
<b>Cash and cash equivalents at the end of the year</b>	18	<b>5,583,282</b>	4,931,522

The notes on pages 31 to 52 form part of these financial statements

# County Durham Community Foundation

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2021

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### 1. Accounting policies

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

County Durham Community Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in pounds sterling and are rounded to the nearest £1.

#### 1.2 Company status

The company is a company limited by guarantee, incorporated and domiciled in England. The members of the company are the trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

#### 1.3 Going concern

The Foundation has financial reserves held in cash and endowment, together with long term contracts with a number of stakeholders across different industries in the region.

As the year started the impact of Covid-19 pandemic had started to be felt. However the ability of the organisation to rapidly adjust to being an emergency grant funder meant that significant new grant programme streams were contracted for delivery during the year. This has resulted in the organisation recording a significant unrestricted surplus for the year. Given the future uncertainty about some grant programmes and the uncertainty about future performance of the investment market the trustees are content at the current time to hold operating reserves at strong levels to provide prudent security against uncertain operating conditions over the next few years.

The organisation's endowment holding saw an increase in value during the year. The organisation derives both grant making funds and unrestricted funds to support the organisation from its endowment.

A robust financial forecast has been prepared for the coming year, taking into account all confirmed unrestricted income streams and a prudent view of the expenditure base. The financial forecast, prepared on a very prudent basis, shows an operating surplus on unrestricted funds for the coming year.

As a consequence, the trustees believe that the foundation is well placed to manage its business risks successfully despite the current very uncertain economic outlook as the world continues to live against a backdrop of a Covid-19 pandemic.

After making enquiries, the trustees have a reasonable expectation that the foundation will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

# County Durham Community Foundation

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2021

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### 1. Accounting policies (continued)

#### 1.4 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either the company is aware that probate has been granted, the estate has been finalised and notification made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate.

Investment income is recorded on the accruals basis and is allocated to individual endowment funds on the basis of the fund value at the end of each quarter. Interest earned on current accounts is allocated to administration funds. Flow-through funds receive no interest except where the fund is required to be held in a separate account

Grants, including government grants, are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of resources.

Charitable activities include direct costs incurred on the company's grant-making operations and support costs incurred in running the charitable operations.

Costs of raising funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Support costs are those costs incurred directly in support of expenditure on the objects of the company, including those incurred in connection with the administration of the company and compliance with constitutional and statutory requirements. Where they are not attributable to a single activity they are apportioned between those activities on a basis consistent with the use of resources.

All expenditure is inclusive of irrecoverable VAT.



# County Durham Community Foundation

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2021

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### 1. Accounting policies (continued)

#### 1.6 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment	- 20%-33% straight line
Fixtures and fittings	- 33% straight line

#### 1.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Net gains/(losses) on investments' in the statement of financial activities.

#### 1.8 Operating leases

Rentals under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

#### 1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

#### 1.10 Cash and cash equivalents

Cash and cash equivalents includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

#### 1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

#### 1.12 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

# County Durham Community Foundation

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2021

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### 1. Accounting policies (continued)

#### 1.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

The general fund makes a charge on the other funds as follows:

- Flow-through funds: as agreed with the donor
- Endowment funds and other trust funds: between 1% and 2% of the fund balance per annum

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund.

Endowment funds are funds which are held for the permanent benefit of the charity. There is no power to convert capital into income.

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

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

In preparing these financial statements the Trustees do not consider there were any significant estimates or areas of judgment that were required in applying the company's accounting policies as set out above.

# County Durham Community Foundation

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2021

### 2. Income from donations and legacies

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	153,012	153,012	251,792
Government grants	2,404	2,404	-
	<u>155,416</u>	<u>155,416</u>	<u>251,792</u>
Total 2020	<u>251,792</u>	<u>251,792</u>	

### 3. Income from charitable activities

	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	5,091,990	242,802	5,334,792	3,066,235
Total 2020	<u>2,523,282</u>	<u>542,953</u>	<u>3,066,235</u>	

### 4. Investment income

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment income	-	526,485	526,485	502,133
Bank interest	28,004	-	28,004	33,488
	<u>28,004</u>	<u>526,485</u>	<u>554,489</u>	<u>535,621</u>
Total 2020	<u>33,488</u>	<u>502,133</u>	<u>535,621</u>	

# County Durham Community Foundation

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2021

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### 5. Expenditure on charitable activities

	Direct costs 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Provision of grants	4,931,762	362,115	5,293,877	3,270,150
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total 2020	2,888,902	381,248	3,270,150	
	<u>                    </u>	<u>                    </u>	<u>                    </u>	

# County Durham Community Foundation

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2021

### 6. Direct costs

	2021	2020
	£	£
Grants paid	<b>4,931,762</b>	2,888,902

Grants paid to community groups and other bodies during the year (taken from data submitted by grant applicants when applying for funding) can be categorised as follows:

	2021	2020
	£	£
Anti social behaviour	52,081	62,088
Arts, culture and heritage	102,503	310,448
Caring responsibilities	95,982	23,630
Community support and development	675,290	449,572
Counselling /advice /mentoring	195,992	80,971
Crime and safety	35,670	32,281
Disability and access issues	168,613	68,198
Domestic violence	78,520	26,443
Economy	31,072	570
Education and training	20,681	156,151
Employment, labour, learning and training	207,257	304,656
Emergency and rescue services	11,843	304,656
Environment and improving surroundings	164,538	160,673
Financial exclusion and literacy	15,235	7,846
Harmful practice	-	21,855
Health and wellbeing	1,058,433	343,919
Homeless and housing	121,857	31,293
IT / technology	28,166	4,084
Language, culture and racial integration	49,852	104,198
Mental health	685,705	110,834
Offending / at risk of offending	24,710	17,732
Poverty and disadvantage	519,050	179,684
Racial and cultural integration	-	143,515
Rural issues	107,405	98,812
Sexual abuse / violence / exploitation	9,091	21,410
Social inclusion	140,903	69,951
Sport and recreation	172,105	255,720
Stigma and discrimination	225	14,697
Substance abuse and addiction	30,406	3,789
Supporting family life	115,220	52,374
Volunteering	23,563	49,168
Adjustments	(10,206)	(317,660)
	-	-
Total	<b>4,931,762</b>	2,888,902

Adjustments include grant withdrawals, and any adjustments made to the original grant awarded depending upon the needs of the recipient as circumstances change.

# County Durham Community Foundation

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2021

### 7. Support costs

	Raising funds	Grant making	Governance	2021
	£	£	£	£
Office costs	9,431	35,776	8,681	53,888
Staff costs	141,032	220,112	37,510	398,654
Other costs	16,861	42,427	17,609	76,897
Total 2021	167,324	298,315	63,800	529,439

No expenses were reimbursed to any Trustees during the year (2020: £nil). No Trustees received any remuneration.

	Raising funds	Grant making	Governance	2020
	£	£	£	£
Office costs	9,910	34,116	8,795	52,821
Staff costs	120,265	216,303	35,016	371,584
Other costs	32,633	69,768	17,250	119,651
Total 2020	162,808	320,187	61,061	544,056

### 8. Net income/(expenditure)

This is stated after charging:

	2021	2020
	£	£
Depreciation of tangible fixed assets: - owned by the charity	8,287	6,740
Auditor's remuneration - audit	10,080	10,080
Operating lease rentals	23,184	23,184

# County Durham Community Foundation

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2021

### 9. Staff costs

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	320,057	298,588
Social security costs	31,664	24,566
Other pension costs	19,680	18,928
	<u>371,401</u>	<u>342,082</u>

The average number of persons employed by the company during the year was as follows:

	2021 No.	2020 No.
Raising funds	3.8	3.6
Charitable activities	4.9	5.5
Governance	0.7	0.8
	<u>9.4</u>	<u>9.9</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021 No.	2020 No.
In the band £60,001 - £70,000	1	1

The key management personnel of the charity comprise the Chief Executive and Chief Operating Officer, with total employee benefits (including pension costs) of £134,830 (2020: £128,616).



## County Durham Community Foundation

(A company limited by guarantee)

### Notes to the financial statements Year ended 31 March 2021

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#### 10. Tangible fixed assets

	Fixtures and fittings £
<b>Cost or valuation</b>	
At 1 April 2020	32,158
Additions	8,168
Disposals	(8,587)
At 31 March 2021	<u>31,739</u>
<b>Depreciation</b>	
At 1 April 2020	21,190
Charge for the year	8,287
On disposals	(8,398)
At 31 March 2021	<u>21,079</u>
<b>Net book value</b>	
At 31 March 2021	<u><u>10,660</u></u>
At 31 March 2020	<u><u>10,968</u></u>

# County Durham Community Foundation

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2021

### 11. Fixed asset investments

	Listed investments £
<b>Cost or valuation</b>	
At 1 April 2020	14,910,499
Additions	759,031
Disposals	(562,147)
Revaluations	3,087,375
<b>At 31 March 2021</b>	<b>18,194,758</b>
<b>Net book value</b>	
<b>At 31 March 2021</b>	<b>18,194,758</b>
At 31 March 2020	14,910,499

Certain investments held at CCLA are related to Community First funds, set up under a national scheme which are all managed through CCLA. All investments are held primarily for investment return.

The historical cost of investments is £9,863,323 (2020: £9,666,438)

### 12. Debtors

	2021 £	2020 £
Prepayments and accrued income	203,803	142,167

# County Durham Community Foundation

(A company limited by guarantee)

## Notes to the financial statements

Year ended 31 March 2021

### 13. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	3,044	1,900
Other taxation and social security	16,317	8,120
Other creditors	747,881	466,608
Accruals and deferred income	69,532	58,788
	<u>836,774</u>	<u>535,416</u>
	2021 £	2020 £
Deferred income at 1 April 2020	25,000	-
Resources deferred during the year	20,494	25,000
Amounts released from previous periods	(25,000)	-
	<u>20,494</u>	<u>25,000</u>

# County Durham Community Foundation

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2021

### 14. Statement of funds

#### Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
<b>Unrestricted funds</b>						
General funds	327,571	183,420	(529,439)	638,159	-	619,711
<b>Endowment funds</b>						
Endowment funds	15,194,905	242,802	(10,000)	(1,205,500)	3,112,493	17,334,700
<b>Restricted funds</b>						
Restricted funds	3,937,264	5,618,475	(4,921,762)	567,341	-	5,201,318
<b>Total of funds</b>	<b>19,459,740</b>	<b>6,044,697</b>	<b>(5,461,201)</b>	<b>-</b>	<b>3,112,493</b>	<b>23,155,729</b>

#### Statement of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
<b>Unrestricted funds</b>						
General funds	263,298	285,280	(544,056)	323,049	-	327,571
<b>Endowment funds</b>						
Endowment funds	15,064,651	542,953	-	105,735	(518,434)	15,194,905
<b>Restricted funds</b>						
Restricted funds	4,229,535	3,025,415	(2,888,902)	428,784	-	3,937,264
<b>Total of funds</b>	<b>19,557,484</b>	<b>3,853,648</b>	<b>(3,432,958)</b>	<b>-</b>	<b>(518,434)</b>	<b>19,459,740</b>

# County Durham Community Foundation

(A company limited by guarantee)

## Notes to the financial statements

Year ended 31 March 2021

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### 14. Statement of funds (continued)

The following significant transfers were made between funds in the year:

£526,485 was transferred from restricted funds to endowment funds in respect of the reallocation of the expendable endowment fund.

£1,464,602 was transferred from endowment funds to restricted funds in respect of grant making activities.

£267,383 was transferred from endowment funds, and £370,776 was transferred from restricted funds, to unrestricted funds to contribute towards administration costs.

### 15. Restricted and endowment funds

The following fund categories combine restricted and endowment funds:

#### **Trusts**

Funds held where there is a linking direction under section 96(6) of the Charities Act 1993 (formerly uniting direction)

#### **Community First**

Funds that were established during the UK Government's matched endowment programme.

#### **Community Panel**

Funds where a community panel is the main grant decision making body for the funds.

#### **Donor-Advised**

Funds where the grant-making decision rests with the donor.

#### **Field of Interest**

Funds where the grant-making decision rests with the Foundation.

For funds with balances over £100,000, or funds where the fund agreement requires it, the funds' financial positions are listed separately.

# County Durham Community Foundation

(A company limited by guarantee)

## Notes to the financial statements

Year ended 31 March 2021

### Restricted funds

	Brought forward	Income	Grants approved	Net gains / (losses)	Transfers	2021
	£	£	£	£	£	£
Trusts	62,859	74,495	(67,409)	-	98,472	168,417
Community First	197,087	91,811	(62,111)	-	259,057	485,844
Community Panel	1,449,526	1,147,507	(1,478,929)	-	284,933	1,403,037
Donor-Advised	400,668	400,763	(216,740)	-	211,114	795,805
Field of Interest	<u>1,827,124</u>	<u>3,903,896</u>	<u>(3,096,573)</u>	<u>-</u>	<u>(286,235)</u>	<u>2,348,212</u>
Total	<u>3,937,264</u>	<u>5,618,472</u>	<u>(4,921,762)</u>	<u>-</u>	<u>567,341</u>	<u>5,201,315</u>

### Expendable endowments

	Brought forward	Income	Grants approved	Net gains / (losses)	Transfers	2021
	£	£	£	£	£	£
Trusts	2,179,520	-	-	441,442	(135,612)	2,485,350
Community First	2,306,778	-	-	476,518	(426,589)	2,356,707
Community Panel	2,069,047	5,669	-	420,427	(120,912)	2,374,231
Donor-Advised	5,508,529	59,314	(10,000)	1,117,618	(335,816)	6,339,645
Field of Interest	<u>3,131,031</u>	<u>177,819</u>	<u>-</u>	<u>656,488</u>	<u>(186,571)</u>	<u>3,778,767</u>
Total	<u>15,194,905</u>	<u>242,802</u>	<u>(10,000)</u>	<u>3,112,493</u>	<u>(1,205,500)</u>	<u>17,334,700</u>

# County Durham Community Foundation

(A company limited by guarantee)

## Notes to the financial statements

Year ended 31 March 2021

### Trusts

	Brought forward	Income	Grants approved	Net gains / (losses)	Transfers	2021
	£	£	£	£	£	£
Darlington Education Trust	893,438	29,622	(50,000)	175,470	(15,135)	1,033,395
Durham Community Business College	39,013	1,155	-	6,775	(636)	46,307
Durham Johnston Educational Foundation	136,249	4,471	(1,000)	26,453	(1,681)	164,492
East Howle Trust	47,911	1,375	(8,000)	8,138	(550)	48,874
Hylton House Trust	145,433	4,854	(7,012)	28,797	1,643	173,715
John T Shuttleworth Ropner Memorial Trust	698,578	23,581	1,610	139,862	(15,178)	848,453
King Edward VII Memorial Trust	57,023	1,934	-	11,452	(774)	69,635
Stanhope Castle Charitable Trust	<u>224,734</u>	<u>7,503</u>	<u>(3,007)</u>	<u>44,495</u>	<u>(4,829)</u>	<u>268,896</u>
Total	<u>2,242,379</u>	<u>74,495</u>	<u>(67,409)</u>	<u>441,442</u>	<u>(37,140)</u>	<u>2,653,767</u>



## County Durham Community Foundation

(A company limited by guarantee)

### Notes to the financial statements Year ended 31 March 2021

#### Community First

	Brought forward	Income	Grants approved	Net gains / (losses)	Transfers	2021
	£	£	£	£	£	£
2D Legacy Fund	189,506	5,982	(5,000)	35,397	(3,963)	221,922
Banks Family Community First	82,830	2,655	-	15,901	(18,693)	82,693
Banks Foundation Community First	417,896	12,320	(2,550)	73,505	(80,053)	421,118
Banks Pegswood Moor Community Benefits Fund	127,171	3,875	(9,748)	22,934	(2,309)	141,923
CDCF Community First Match Fund	-	-	-	-	263,835	263,835
Darlington Education Community First Trust Fund	780,433	25,344	(30,000)	151,952	(182,911)	744,818
Jackie Maddison Community First Trust	115,376	3,500	-	20,729	(2,410)	137,195
Nicholson Family Community First	125,248	4,158	-	24,833	(32,675)	121,564
Willington and Parkside Fund	212,928	6,983	(12,513)	41,325	(2,725)	245,998
Other Community First	<u>452,477</u>	<u>26,994</u>	<u>(2,300)</u>	<u>89,942</u>	<u>(105,628)</u>	<u>461,485</u>
Total	<u>2,503,865</u>	<u>91,811</u>	<u>(62,111)</u>	<u>476,518</u>	<u>(167,532)</u>	<u>2,842,551</u>

#### Community Panel

	Brought forward	Income	Grants approved	Net gains / (losses)	Transfers	2021
	£	£	£	£	£	£
Banks Kype Muir Community Fund	124,670	156,175	(110,261)	-	(2,991)	167,593
Banks Moor House Community Benefits Fund	117,280	30,000	(49,596)	-	(940)	96,744
County Durham & Darlington NHS Health Improvement Fund	1,841,058	62,540	(124,407)	370,109	19,964	2,169,264
ENTRUST Funds	467,333	-	(148,799)	-	(4,646)	313,888
NTR Quixwood Moor Wind Farm Community Fund	114,408	91,200	(93,905)	-	-	111,703
Walkway Windfarm Fund	80,475	8,562	-	16,704	(1,766)	103,975
Westpark Levy Funds	163,944	1,671	(40,171)	-	-	125,444
Other Community Panel	<u>609,405</u>	<u>803,028</u>	<u>(911,790)</u>	<u>33,614</u>	<u>154,400</u>	<u>688,657</u>
Total	<u>3,518,573</u>	<u>1,153,176</u>	<u>(1,478,929)</u>	<u>420,427</u>	<u>164,021</u>	<u>3,777,268</u>

# County Durham Community Foundation

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## Notes to the financial statements

Year ended 31 March 2021

### Donor-Advised

	Brought forward	Income	Grants approved	Net gains / (losses)	Transfers	2021
	£	£	£	£	£	£
Banks Family Fund	1,297,992	42,819	(500)	253,399	(17,088)	1,576,622
Banks Family Grassroots (Durham)	272,211	7,993	(6,000)	47,332	(4,845)	316,691
Banks Foundation Fund	104,073	6,059	(9,450)	18,120	(2,672)	116,130
CDCF Administration Endowment Fund	265,776	60,719	-	54,281	(19,573)	361,203
Durham Cathedral's Chorister Bursary Fund	155,181	5,253	-	31,129	(2,781)	188,782
Durham Cathedral's Music Outreach Fund	124,001	3,805	-	22,555	(2,084)	148,277
Esh Charitable Trust's Grassroots Fund	105,683	3,612	-	21,404	(10,579)	120,120
Ingenious Darlington Building Society Fund	49,891	16,398	(66,788)	8,279	42,891	50,671
John Simpson Greenwell Memorial Fund	308,916	10,112	(1,000)	59,900	(4,931)	372,997
Karbon Homes Grassroots Fund	231,830	7,853	-	46,518	(14,116)	272,085
Kevan Jones Grassroots Fund	110,106	3,681	(3,021)	21,816	(5,044)	127,538
Miller Wood Bonsall Fund	192,916	6,522	-	38,198	(3,318)	234,318
Northern Powergrid Fund	109,727	3,713	-	22,003	(6,820)	128,623
Northumbrian Water Community Fund	111,391	3,762	-	22,306	(7,218)	130,241
Peter & Jayne Cook Fund	144,879	4,904	(6,225)	29,059	(2,612)	170,005
Tallent Automotive Limited Fund	125,255	4,067	-	24,103	(2,210)	151,215
Tonks Family Fund	110,862	3,751	-	22,229	(6,887)	129,955
William Leech Grassroots (Durham) Fund	115,795	3,919	-	23,221	(7,183)	135,752
Other Donor-Advised	<u>1,972,712</u>	<u>261,135</u>	<u>(133,756)</u>	<u>351,766</u>	<u>(47,632)</u>	<u>2,404,225</u>
Total	<u>5,909,197</u>	<u>460,077</u>	<u>(226,740)</u>	<u>1,117,618</u>	<u>(124,702)</u>	<u>7,135,450</u>

# County Durham Community Foundation

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## Notes to the financial statements Year ended 31 March 2021

### Field of Interest

	Brought forward	Income	Grants approved	Net gains / (losses)	Transfers	2021
	£	£	£	£	£	£
Anonymous 2019 Fund	90,340	106,547	-	38,730	(17,643)	217,974
BAT Skills Development Bursary Fund	128,615	4,415	-	26,126	61,635	220,791
Community Action Fund	29,058	4,109	(114,453)	-	195,787	114,501
County Durham Educational Trust (CDET) Fund	268,368	9,224	-	54,552	(25,001)	307,143
COVID-19 Fund	186,091	1,517,001	(1,574,627)	-	291,425	419,890
Darlington & District Youth & Community Association Fund	132,720	4,557	-	26,962	(12,535)	151,704
David Brown Fund	125,431	4,306	-	25,479	(11,860)	143,356
Durham County Waste Management Fund	141,300	4,852	-	28,706	(13,331)	161,527
Ferryhill Station, Mainsforth & Bishop Middleham Aid in Sick	115,382	3,920	-	23,202	(1,505)	140,999
Francis James Bell Fund	139,301	4,334	(10,000)	25,362	(1,606)	157,391
Future Initiatives Fund	1,268,949	500,000	(5,000)	-	(667,458)	1,096,491
Growth and Resilience Fund	100,000	-	-	-	-	100,000
Hall Benefaction Fund	91,809	3,150	-	18,643	(8,740)	104,862
Heritage through the Arts Fund	98,803	3,356	-	19,863	(5,633)	116,389
I'Anson Family Fund	99,545	3,382	-	20,013	(5,673)	117,267
Ingenious Darlington Enterprise Association Fund	90,164	3,093	-	18,309	(8,586)	102,980
Ingenious Darlington Enterprise Association Grassroots Fund	93,669	3,213	-	19,020	(8,913)	106,989
Ingenious Darlington Stainsby Murray Fund	94,649	3,249	-	19,221	(9,004)	108,115
Sir Paul and Lady Nicholson Fund	395,396	64,464	(5,000)	76,954	(37,061)	494,753
Vardy Fund	217,414	7,469	-	44,183	(20,385)	248,681
Other Field of Interest	<u>1,051,151</u>	<u>1,827,074</u>	<u>(1,387,493)</u>	<u>171,163</u>	<u>(166,719)</u>	<u>1,495,176</u>
Total	<u>4,958,155</u>	<u>4,081,715</u>	<u>(3,096,573)</u>	<u>656,488</u>	<u>(472,806)</u>	<u>6,126,979</u>

# County Durham Community Foundation

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## Notes to the financial statements

Year ended 31 March 2021

### 16. Analysis of net assets between funds

#### Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Tangible fixed assets	10,660	-	-	10,660
Fixed asset investments	-	-	18,194,758	18,194,758
Current assets	697,944	5,949,199	(860,058)	5,787,085
Creditors due within one year	(88,893)	(747,881)	-	(836,774)
	<u>619,711</u>	<u>5,201,318</u>	<u>17,334,700</u>	<u>23,155,729</u>

#### Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Tangible fixed assets	10,968	-	-	10,968
Fixed asset investments	-	-	14,910,499	14,910,499
Current assets	384,692	4,404,591	284,406	5,073,689
Creditors due within one year	(68,089)	(467,327)	-	(535,416)
	<u>327,571</u>	<u>3,937,264</u>	<u>15,194,905</u>	<u>19,459,740</u>

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## Notes to the financial statements Year ended 31 March 2021

### 17. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income/expenditure for the year (as per Statement of Financial Activities)	3,695,989	(97,744)
<b>Adjustments for:</b>		
Depreciation charges	8,287	6,740
Gains/(losses) on investments	(3,112,493)	518,434
Dividends, interests and rents from investments	(554,489)	(535,621)
Loss on the sale of fixed assets	189	-
(Increase) /decrease in debtors	(61,636)	157,394
Increase/ (decrease) in creditors	301,358	(262,696)
<b>Net cash provided by/(used in) operating activities</b>	<b>277,205</b>	<b>(213,493)</b>

### 18. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	1,936,513	1,532,236
Cash equivalents	3,646,769	3,399,286
<b>Total</b>	<b>5,583,282</b>	<b>4,931,522</b>

### 19. Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	1,532,236	404,277	1,936,513
Liquid investments	3,399,286	247,483	3,646,769
	<b>4,931,522</b>	<b>651,760</b>	<b>5,583,282</b>

# County Durham Community Foundation

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## Notes to the financial statements

Year ended 31 March 2021

### 20. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £19,680 (2020: £18,928). Contributions totalling £nil (2020: £nil) were payable to the fund at the balance sheet date.

### 21. Operating lease commitments

At 31 March 2021 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Within 1 year	23,184	23,184
Between 1 and 5 years	5,796	28,980
	<u>28,980</u>	<u>52,164</u>

### 22. Related party transactions

During the year four grants totalling £38,338 (2020: £1,577) were paid to the Association of Teesdale Day Clubs, a charity of which Ann Dolphin, Trustee, is a Trustee.

During the year two grants totalling £8,000 (2020: £5,000) were paid to Refuse CIC, an organisation of which Paul Chandler, Trustee, is a member of the advisory board.

During the year three grants totalling £8,660 (2020: £12,358) were paid to Durham Youth CIO, an organisation of which Emily Burns, Trustee, is a Director.

During the year four grants totalling £8,240 (2020: £nil) were paid to West Rainton and Leamside Partnership, an organisation of which Emily Burns, Trustee, is a Trustee.

During the year donations totalling £1,000 (2020: £17,000) were received by the Foundation from the trustees or organisations that Trustees had declared an interest in.