

Registered number: 3072153
Charity number: 1047625

County Durham Community Foundation
(A company limited by guarantee)

Trustees' Report and Financial Statements
Year ended 31 March 2023

County Durham Community Foundation

(A company limited by guarantee)

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County Durham Community Foundation

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Reference and administrative details Year ended 31 March 2023

Trustees

James Fenwick, Chairman
Rebecca Armstrong
Joanna Barker (appointed 27 March 2023)
Duncan Barrie (resigned 25 November 2022)
Emily Burns
Paul Chandler (resigned 25 November 2022)
Ann Dolphin OBE
Emma Glover (appointed 7 November 2022)
Stephen Hall, Vice Chair
Ray Hudson
Peter Locke (appointed 27 March 2023)
Emma O'Rourke (appointed 7 November 2022)
Colin Proudfoot (resigned 21 July 2022)

Company registered number

3072153

Charity registered number

1047625

Registered office

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

Chief Executive Officer

Michelle Cooper MBE

Independent auditor

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

County Durham Community Foundation

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Reference and administrative details (continued) **Year ended 31 March 2023**

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 I'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 2023

The past year has brought us yet another series of unprecedented events which have further underscored the crucial role played by the County Durham Community Foundation (the Foundation) in supporting local communities.

In a year marked by the lingering effects of the Covid-19 pandemic, the escalating cost of living, and an energy crisis, existing issues have been exacerbated, amplifying the challenges faced by the most vulnerable members of society.

Our team remains resolute in addressing the needs of individuals and communities in County Durham, Tees Valley, and the wider North East with programmes that react to the urgent needs of today, and which help solve the problems of tomorrow.

Over the course of the year, we have awarded £4.43 million to 567 groups which has made a difference to more than 360,000 people.

Our grants to individuals or families have assisted some 360 people, supporting those facing extreme hardship during the cost-of-living crisis as well as enabling budding athletes to fulfil their dreams.

The extraordinary success of the Poverty Hurts Appeal in raising almost £1 million (£966,341) has shown the incredible compassion there is towards the most vulnerable in our region. We are deeply grateful to our existing fundholders, local businesses, and the public, whose collective contributions through Poverty Hurts have impacted over 35,000 individuals in our region.

With funding programmes like Poverty Hurts, we galvanise our donors and the public to join us in alleviating poverty. Programmes such as the Warm Spaces Fund (in partnership with Durham County Council and East Durham Trust) have allowed us to respond swiftly and effectively to rising energy costs supporting an estimated 16,988 beneficiaries over the winter months.

While our commitment to combating poverty remains unwavering, our grant-giving efforts also seek to address the issue of "poverty of opportunity" that we see across the region. This entails funding projects that address inequalities, promote quality education, support skills development, and foster resilient communities for a sustainable future.

As always, this is all only possible thanks to our dedicated and generous supporters. For example, The Banks Group continue to have a profound impact on the community through the Banks Community Fund, which has awarded grants amounting to £144,552. Numerous projects associated with this fund are dedicated to enhancing or preserving community buildings, thus playing a pivotal role in ensuring the long-term viability of our community gathering spaces.

We have been able to increase our grant-giving to "green" projects and organisations thanks to Esh Construction. Their Greener Communities Fund this year has supported community projects which have installed greener technology and equipment, reduced carbon emissions, improved green spaces and wildlife habitats, and provided green skills training.

I should like to thank the staff and my fellow trustees for their commitment to the Foundation and to our mission to fight poverty and enrich the lives of everyone in our communities. I should also like to extend thanks to our President, Sir Paul Nicholson, and our Patron, Lady Sarah Nicholson, for their deep and unwavering dedication to the Foundation since its establishment in 1995.

James Fenwick
Chair
Date: 31 July 2023

County Durham Community Foundation

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Trustees' report

Year ended 31 March 2023

The Trustees present their annual report together with the audited financial statements of the company for the year 1 April 2022 to 31 March 2023. 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 us and our objectives

The County Durham Community Foundation (the Foundation) is an independent grant-making charity and part of the national community foundation network, UK Community Foundations (UKCF). We aim to fight poverty and enrich lives in County Durham, and immediate neighbours and the broader North East.

We do this by being both a conduit and a collaborator, working in partnership with local communities, stakeholders, supporters, and institutions to raise funds and direct them to places they can make the most difference to local people.

We make it simple and safe for donors (individuals, businesses, or families) to maximise their charitable giving and work alongside the experts in local communities to ensure those funds go towards fighting poverty and enriching lives.

Our grant-making strategy is structured around five of 17 UN Sustainable Development Goals (SDGs). Prioritising fighting poverty in the first instance, followed by addressing the poverty of opportunity, which comes as a consequence of poverty itself.

No Poverty: we fund projects that address the urgent and immediate impact of poverty.

Good Health and Well-being: we support projects that improve people's mental and physical health and well-being.

Reduce Inequalities: we fund projects that actively seek to reduce systemic inequalities that disproportionately affecting people in poverty, so everyone has an equal chance to thrive.

Sustainable Cities & Communities: we support initiatives that encourage social cohesion; support job readiness, skills development; and community participation so that our communities may be more resilient.

Climate Action: we seek out projects that attempt to mitigate the impact of climate change on our communities; this could include climate awareness and education programmes through to greener transport options.

With these five priorities, we move closer to a more sustainable and equitable future for everyone in County Durham, Tees Valley and the wider North East.

Vision

Together with our supporters and partners, we create opportunities, reduce inequalities, and renew optimism. By working together, we will embed sustainable change in our communities that ends poverty and enriches lives for everyone. We are the place supporters and community leaders come to when they want to make a difference.

County Durham Community Foundation

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Trustees' report (continued) Year ended 31 March 2023

Objectives and activities (continued)

Mission

By understanding the hopes, needs and challenges of our communities we can attract, connect, and partner with supporters who are motivated by making a lasting difference and want to give with maximum impact.

Values

Our values are embedded in our internal strategy and our reference point for day-to-day decisions.

- **Trustworthy:** *we are reliable, honest, and transparent in our work. You can count on us to do what we say we will, always.*
- **Respectful:** *we respect each other, our donors, and our communities. We are inclusive in our approach.*
- **Passionate:** *we truly care about making a difference to the lives of the people in our communities and our planet.*
- **Adaptable:** *we are flexible in our approach.*
- **Ambitious:** *we want good things for local people.*
- **Vocal:** *we are the voice for the communities and causes we serve.*

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.

County Durham Community Foundation

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Trustees' report (continued) Year ended 31 March 2023

Achievements and performance 2022/23

This year we united our supporters, regional organisations, fundholders, media, and the general public around our £1m Poverty Hurts Appeal, an appeal which, after two years of responding urgently to the pandemic, sought to expose the pain and prevalence of poverty in our communities. We asked everyone to come together to alleviate poverty, address poverty of opportunity, and enrich lives for everyone in County Durham, the Tees Valley and the wider North East.

Our supporters and fundholders responded with foresight, pragmatism, and generosity. Seeing the cost-of-living crisis impacting communities yet to recover from the pandemic, our supporters gave us the trust and freedom to repurpose a range of funds for the Poverty Hurts Appeal. The grants from which went towards addressing the impact of poverty in all its forms and helped meet both the immediate need and provides long-term support.

This generosity from our fundholders and supporters was matched by the public. In partnership with the Northern Echo, with the support from the High Sheriff, and by collaborating with major organisations across the region, we galvanised the biggest individual giving campaign in the Foundation's history.

Together, we raised £966,341 and as we file this document over £670,000 is back in the community addressing the impacts of poverty today and supporting people to build a brighter tomorrow.

In the financial statements, grant expenditure is accounted for on an accruals basis, meaning grant expenditure is recognised in the year when the offer is made. The exception is where the offer is conditional upon certain performance conditions being met, in this case the grant commitment is treated as a contingent liability and is not included as an expense. In the Trustee's report, the tables in the following section are on a grants awarded basis which refers to the grants paid in the year. This can include amounts accrued for in prior years.

Highlights of the year:

- £4.43 million of grants awarded through 1,276 grants to fight poverty and enrich lives
- £966,341 raised through the Poverty Hurts Appeal
- Continued to grow the organisation's grant making footprint in County Durham, Tees Valley and the wider North East
- Strengthened grant making practices through use of the sustainable development goals and commitment to IVAR's (Institute for Voluntary Action Research) Flexible Funding commitments

Grant making

The average grant size this financial year was £3,475 for community groups. This is c£2,500 less than the average grant value last year, due mainly to the number of micro-grants (170) of £1,000 or less awarded over the winter period in Winter Warmth grants (an initiative to provide warm hubs for people affected by the cost of living and fuel crises).

The average grant size for grants to individuals this financial year was £395. Forty-seven (47) per cent of funding to individuals was made to help alleviate the stress of poverty and to support the purchase of essential household items, and twenty-seven (27) per cent was awarded to young individuals excelling in a sport or chosen field.

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Trustees' report (continued) Year ended 31 March 2023

Achievements and performance 2022/23 (continued)

The tables below refer to grants awarded. Grants committed in the year £5.3m

Applicant	Amount	No. of grants	Average size grant
Group	£4,292,885	916	4,687
Individual	£142,278	360	395
Grand total	£4,435,163	1,276	3,476

Table 1: Grants awarded to groups and individuals

Reach

Following direct consultation to gauge the needs of community groups and the trends in the sector, the Foundation regrouped funds into workable and more accessible programmes, meeting the aims of existing donor wishes but reflecting need in the community.

Six (6) 'Impact Pillars' were developed to direct funding into strategic themes and from April 2022, all funding awarded in grants has been assigned a thematic impact category from one of the following:

- Community (general programme)
- Organisational sustainability (helping groups thrive and survive)
- Fighting poverty
- Opportunities for life (skills and training)
- Climate action
- Success against the odds (interventions to help individuals in need reach goals)

Impact pillar	Awarded	%
Community programme	£1,764,607	40
Organisation sustainability	£879,195	20
Fighting poverty	£814,162	18
Opportunities for life	£667,401	15
Climate	£298,793	7
Success against the odds	£11,005	>1
	£4,435,163	100

Table 2: Awarded per Impact Pillar

Sixty-six (66) per cent of all this financial year's funding reached the 30% most disadvantaged areas (as per the Index of Multiple Deprivation), with 40% of funding reaching the 20% most deprived areas.

Eighty-four (84) per cent of all Poverty Hurts Funding awarded within the 30% most deprived areas, and those grants awarded within the least deprived areas were predominantly issued to groups in Durham City, the Dales, and those in receipt of Banks Capital Regeneration funding.

Every grant awarded during 2022/23 was also assigned an issue theme i.e. what each grant aims to improve. Table 3 shows that the most significant percentage (27%) of funding was awarded to projects supporting health and wellbeing.

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Trustees' report (continued) Year ended 31 March 2023

Achievements and performance 2022/23 (continued)

Theme	Awarded
Health and wellbeing	£1,213,309
Fairness, equality and inclusion	£1,143,341
Community support	£712,093
Community sector development	£418,531
Education and training	£407,385
Environment	£186,450
Sports and recreation	£163,869
Arts, culture and heritage	£91,159
Housing and homelessness	£80,813
Disaster response	£18,212
Grand total	£4,435,163

Table 3: Grants awarded by theme

The estimated number of beneficiaries of grants awarded (taken from data supplied at the application stage) in 2022/23 is more than 360,000.

Sixty-eight (68) per cent of grants (by value) awarded to projects within County Durham. There were fewer grants awarded in Tees Valley than the previous year due to a reduction in revenue funds (previously Covid-19 recovery funding) covering the Tees Valley area, with a consequentially higher rejection figure this year; predominantly of previously supported groups for that area.

Groups and individuals

Location	Value of Grants	No. of Grants	% By Value
County Durham	£3,013,150	858	68%
Tees Valley (including Darlington)	£873,201	183	20%
Other North East	£234,810	178	5%
Other (outside North East but in England)	£154,934	39	3%
Other Scotland	£159,068	18	4%
Overall	£4,435,163	1,276	100%

Table 4: Awarded per geographic area

This year's emphasis has been on helping organisations remain operational and well-resourced, supporting communities and individuals through the cost of living and fuel crises - fifty-three per cent of funding supported grassroots organisations with a turnover of less than £100,000.

The framework around the sustainable development goals (SDG) has also continued to help reflect where and why grants have been most needed. New work within our embedded Impact framework has enabled us to quantify positive actions in addressing the UN goals. Funding to community groups this year was allocated against the following SDGs:

Primary SDG	Awarded
Good health & wellbeing	£1,613,128
Sustainable cities & communities	£907,530
Reduced inequalities	£890,632
No poverty	£804,563
Climate action	£219,310
Overall	£4,435,163

Table 5: Awarded per SDG

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Trustees' report (continued) Year ended 31 March 2023

Achievements and performance 2022/23 (continued)

The golden thread underpinning the work of the Foundation is to fight poverty and enrich lives; this applies to every grant made. Poverty affects the Foundation's communities at every level - whether that be the emergency impact of poverty, such as food or fuel poverty or the longer-term effects of poverty that limit people's futures.

Regarding the primary SDG 'No Poverty', this quantifies the level of funding awarded to projects specifically tackling poverty within this context.

Major grant programmes

This year the ongoing cost of living crisis has affected every community and every group that supports disadvantaged people. At the beginning of the financial year, the Foundation was able to repurpose unrestricted funds previously allocated to post Covid-19 infrastructure support to develop a funding programme focussing on organisational sustainability for those in County Durham specifically.

Major fund spends include:

Poverty Hurts - £590,000 awarded/ 104 grants

The repurposing of unrestricted funds and the launch of the Poverty Hurts Appeal generated significant applications and, more specifically, sympathetic and relevant requests for funding.

To support action that reduces the effects of poverty in 2022/23.

Community Grant Programme - £437,341 awarded/ 91 grants

The fund comprises contributions from various private endowments, annual fund holders, and new supporters. The pooling of these provides an easily accessed and broad-ranging programme to support diverse activities in the community.

The Community Grant Programme is an essential resource of funding to local community groups. Its impact is significant; grantee feedback is that this programme allows them the freedom to deliver what they do rather than shifting their focus to meeting trending revenue funds.

Organisational Sustainability - £301,842 awarded/ 29 grants

The organisational sustainability programme provided £301,842 to support 29 community groups sustain their work, increase their capacity, and improve their future sustainability, mainly through the cost of living and energy crises.

Many organisations evidenced a significant increase in demand for their services; this fund aimed to help meet that need.

Banks Community Fund - £144,552 awarded/ 26 grants

This fund comprises various community benefit funds, including eight from wind farms, three from country park reserves and one from a landfill site, and the Banks Group's donor-advised funds. It supports community organisations close to an ongoing development or in an area of interest for the Banks Group.

Most 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 is subject to ENTRUST regulations.

County Durham Community Foundation

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Trustees' report (continued) Year ended 31 March 2023

Achievements and performance 2022/23 (continued)

Wind Farms - £178,876 awarded/ 58 grants

The Foundation now manage 15 wind farm funds on behalf of developers (not including those under management for Banks Group). This funding stream allows us to award grants that, without exception, are typically less than three miles from the turbines.

Warm Spaces - £171,000+ awarded/ 153 grants

Due to the significant rises in energy costs, there were concerns that County Durham residents would struggle to heat their homes over the winter months of 2022/23. The Fund supported the community sector to run warm spaces, forming a Warm Space Network, with local community groups opening their buildings to people or running existing activities that served the same purpose, for example, coffee mornings or lunch clubs.

More than £171,000 was awarded to 153 grants to help deliver the programme of support to an estimated 16,988 beneficiaries, with a significant impact on communities, bringing new assets into use and developing sustainable direction for groups and projects.

Sherburn House Charity - £116,870 awarded/ 264 grants

Sherburn House Charity focuses on providing 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.

These grants are modest sums of money to support individuals experiencing hardship and poverty.

Durham County Council Arts, Sports, and Culture - £85,600 awarded/ 35 grants

We have continued working in partnership with Durham County Council to deliver community grant programmes to support local sports clubs and groups engaging in arts, sports, and cultural activities.

UKCF National programmes - £275,021 awarded/ 24 grants

During the year, the Foundation continued participating in national grant making programmes for UKCF:

Know Your Neighbourhood Fund runs from January 2023 until March 2025 to develop a collective understanding of what works to improve well-being and pride-in-place through volunteering and community initiatives tackling loneliness. The Foundation made grants totalling £135,333 to nine groups.

#iWill to support social action activities that create opportunities for young people aged 10-20 to develop their potential and capacity to contribute to their community significantly. Social action involves activities such as campaigning, fundraising, and volunteering and has enormous potential to create enjoyable opportunities and skills development for young people and, in turn, benefit local people and places. Grants totalling £139,688 went to a total of 15 groups.

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Trustees' report (continued) Year ended 31 March 2023

Achievements and performance 2022/23 (continued)

Material grants to institutions

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

Organisation	Awarded	No. of grants
VONNE	£69,031	2
Just For Women Centre	£65,892	7
RT Community Projects Ltd	£58,883	6
Laurel Avenue Community Association	£48,716	7
Sandford Village Hall Association	£47,982	1
Hartlepower CIC	£44,500	1
Sacriston Youth Project	£44,490	6
PACT House Stanley	£43,450	7
Durham Community Action	£41,750	4
East Durham Community Development Trust Ltd	£40,100	4
Age UK North Yorkshire & Darlington	£40,015	4
Creative Youth Opportunities	£39,331	4
Teesdale Community Resources	£38,872	5
Shotton Partnership 2000 Ltd	£38,324	6
Bullion Community Resource Centre	£38,200	4
Moving On Durham	£38,158	5
Wheels2Work (County Durham)	£37,400	3
Waddington Street Centre	£35,500	3
The Other Perspective cic	£35,229	1
Live Well North East C.I.C.	£34,990	2
Building Self-belief CIO	£34,570	8
Durham Area Youth (CIO)	£31,600	9
YMCA North Tyneside (working with YMCA Teesdale)	£30,742	8
King's Church Darlington	£30,400	7
WM Morrison Darlington Enterprise Trust	£29,863	2

Table 6: Institutions receiving grants

New funds

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

- Poverty Hurts Endowment Fund
- Belmont Fund
- Greening Grants
- NHS Welfare Support
- #iWill
- Sustainability Fund
- Thorne Derrick
- PHP Social Prescribing
- Know Your Neighbourhood
- Warm Spaces

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Trustees' report (continued) Year ended 31 March 2023

Future planning: Community Comes First

Our role is to enable and empower voluntary organisations and groups in our local communities. Their expertise and insight maximise the impact of the grants we make and, in turn, make monumental differences in the lives of people in County Durham and beyond, including Tees Valley as a result of being the authorised community foundation in the area due to our membership of UKCF.

It's our responsibility to advocate for the local, expert knowledge within our communities, enable their work, and empower them to evolve and develop their services and impact.

Advocate

We will use our voice and influence to evidence the need for a local approach to fighting poverty and enriching lives, demonstrating exactly how the voluntary groups in our region maximise the impact of every pound because they know where it is best spent.

This coming year we'll launch a report in partnership with Health Equity North which outlines a series of recommendations for national government, coming down to one simple thing: trust and fund local charities to fight poverty now and support the next generation to thrive.

Enable

We will enable the work of our local voluntary and charitable organisations by making our grant application process more accessible and more inclusive, giving people multiple ways to work with us, complete grant applications, and access much-needed funds.

We aim to get money in and then get it out - to where it can make a difference to people in our communities. To that end, we will build on the support we've seen for our most recent Poverty Hurts Appeal - in which £966,341 was raised. This appeal has connected with thousands of people due to partnerships with local media and huge support from our existing fundholders.

Our aim in the year ahead is to continue to tell the stories of our communities, demonstrating the impact of poverty on people today and how it impacts on their tomorrow. We will galvanise our supporters, partners, and stakeholders to join us in our fight against poverty and the poverty of opportunity.

Empower

We will work closely with our community' voluntary organisations and groups to empower them to do what is needed now and help them build resilience for tomorrow.

For example, repurposing funds to support core costs during the cost-of-living crisis means our community organisations can keep providing essential support to their communities.

Through our "greening" strategy we are supporting the groups we work with to embed sustainable practices without compromising on the work they need to deliver, empowering groups to develop their skills, in and understanding of, sustainability.

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Trustees' report (continued) Year ended 31 March 2023

Structure, governance and management

Charity name

County Durham Community Foundation, also locally known as CDCF or the Foundation.

Charity status

County Durham Community Foundation is a Company Limited by Guarantee, No. 3072153 and is governed by its Memorandum and Articles of Association, as amended 7 December 2015.

It is registered with the Charities Commission, Charity No. 1047625

It is also an enrolled environmental body with ENTRUST No. 581043.

Trustees

Trustees are individuals who form the Foundation's governing body (Board of Trustees) and act as Directors of the Company. 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.

All Trustee members are expected to commit to and uphold the values and objectives of the Foundation; act with integrity and avoid/declare personal conflicts of interest; give adequate time and energy to the duties of being a trustee; use their skills and experience to the benefit of the Foundation; attend and contribute to meetings and events.

The Foundation has powers to appoint a President and Patrons.

Meetings

The Board of Trustees manages the Foundation. It meets quarterly and has a maximum of 14 members; it is representative of a wide range of professionals who live, work, or have an interest in County Durham and Tees Valley (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.

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 Foundation. A senior management team supports the Chief Executive in managing the day-to-day operations of the organisation. 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, which received reports from three constituted committees.

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Trustees' report (continued) Year ended 31 March 2023

Structure, governance and management (continued)

In addition to the Trustees serving on committees, we are grateful for the support of members appointed by the board with special expertise; David Martin, Duncan Barrie, Gillian Chinhengo and Paul Chandler.

Resources and Policies Committee

The Resources and Policies Committee is tasked with overseeing the management of the Foundation's resources (finances and people). It oversees the organisation's financial and operational performance and ensures organisational strategies and plans are in place to meet the strategic objectives of the organisation. It is also responsible for maintaining oversight of the organisation's policies, risk management systems and internal control systems.

Audit Committee

The Foundation's records are subject to audit by several regulatory/funding bodies in addition to our statutory auditor. These 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.

Nominations/ Remuneration committee and trustee appointment

Discussions about Board membership have been held within the context of full Board meetings. The committee also reviewed staff pay on two occasions during the year.

Political neutrality

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

Organisational structure

A team comprising 10.9 full time equivalent members of staff (across 13 employees) is managed by Michelle Cooper, Chief Executive.

The organisation operates a hybrid approach to working patterns with staff spending 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 subcommittee structure.

The remuneration of staff is reviewed for affordability by the Resources and Policies Committee, with decisions on salary levels taken by the Nominations/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 of more than £70,000 (2022: one £60,000).

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Trustees' report (continued) Year ended 31 March 2023

Structure, governance and management (continued)

Associations and affiliations

The Foundation is part of a national network of 47 independent community foundations across the UK. The Foundation's umbrella body, UK Community Foundations (UKCF) provides on-going help and support to foundations. UKCF represents local foundations at a national and international level and negotiates and manages national grant making and funding opportunities. The Foundation pays an annual membership fee to be part of the network. For more information on UKCF visit www.ukcommunityfoundations.org.

Accreditation and standards

The Foundation has the UKCF Quality Accreditation (QA5) issued in October 2021. The accreditation process is independently assessed and is recognised by national funders and the voluntary sector as a mark of excellence for community foundations.

Trustees and staff are encouraged 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. During the year, online training modules have been undertaken by staff in a variety of topics.

Risk management

The Foundation takes responsibility for assessing risk seriously and has a risk register which is updated monthly by management. Key changes to the risk register are highlighted and reviewed regularly by the Board of Trustees and committees.

The risk management framework is overseen by the Audit Committee with the Resources and Policies Committee responsible for the implementation of strategies to minimise and manage risk.

Trustees have identified the principal risks to which the charity is exposed and established appropriate controls and procedures to mitigate risks.

The main risks facing the Foundation are:

- Failure to attract new funds and grow in line with the business plan
- Impact of the cost-of-living crisis on the operation of the organisation and the funding environment in the future
- Loss of key staff
- Impact of IT failure, cyber-attack or fraud

The Foundation also continues to place a high priority on managing relationships and associated data in line with the increased regulatory frameworks that all charities face. These include the General Data Protection Regulations, fundraising regulations, safeguarding procedures, and acceptance of gifts.

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Trustees' report (continued) Year ended 31 March 2023

Structure, governance and management (continued)

Trustees have appropriate controls and procedures in place to mitigate the risks including the following:

- Employing staff with appropriate training, skills, and experience where necessary
- Reviewing insurance provision annually including cyber insurance, and retaining the services of a specialist company to provide year-round support for cyber security
- Having a comprehensive investment policy, and to review investment allocations and performance on a regular basis
- Establish and review policies and procedures regularly
- Hold regular meetings between the Chair and the Chief Executive to discuss and review workload, aims and achievements

Fundraising

The Foundation is registered with the Fundraising Regulator, which is the independent regulator of charitable fundraising. All our fundraising aims to meet the requirements of the Charity Commission, the Fundraising Regulator and the Information Commissioner's Office.

We are committed to following best practice in fundraising and follow the Code of Fundraising Practice issued by the Fundraising Regulator.

Most of our income generation activity is undertaken by our own staff or on our behalf through introductions made by ambassadors and professional advisors. We also connect to potential donors and partners through networking and by raising our profile through communications. We do not share information about donors or supporters without their express permission.

We do not use direct marketing, telephone, or doorstep fundraising and do not employ professional fundraisers or use commercial participators to raise funds on our behalf. Some fundraising may be done for us by third parties, for example community groups who have supported our Disaster Relief funds, or funds where a donor wishes to raise money from friends or family in memory of a loved one. We encourage all volunteer fundraisers to comply with fundraising regulations and are working to develop additional training and guidance to support them.

The Foundation works hard to maintain its reputation and high professional standards. We are proud of the trusted relationships we have with donors, supporters and the public and aim to treat everyone fairly and with respect.

Feedback is important to us to help monitor and improve our practices. During the year there have been no reported compliance issues with the Code of Fundraising Practice. The Foundation also maintains records of all complaints received and during the year received no complaints on its fundraising activities.

County Durham Community Foundation

(A company limited by guarantee)

Trustees' report (continued) Year ended 31 March 2023

Equity, diversity and inclusion

Central to our Equity, Diversity, and Inclusion practice is ensuring the grant application process doesn't indirectly exclude the people it exists to support. A thorough audit of the grant application process in 2021/22 enabled us to identify the barriers members of our community may face in working with us and our team take a community-first approach in all they do. Meaning we remove barriers at every stage to enable the community to thrive.

For example, we understand that relying on written materials and formal communication by email can feel less accessible for some groups, as a result our team work closely with applicants to support them through the process. We offer multiple ways to connect with our team including face-to-face funding surgeries in the communities we seek to serve. An upcoming research project with those who have applied for grants will provide additional insight into their interactions with us and the areas in which we can adopt more inclusive practices.

Our organisation's EDI champion has now completed a NCFE Level 2 Award in Equality and Diversity and will deliver staff training throughout the coming 12 months.

Climate change

Last financial year the Foundation commenced with data collection to measure its carbon footprint, with a view to implement measures and plan improvements for the future. The base year for calculations was set to the year prior to the pandemic, 2019.

UK Energy use for 1 April 2022 to 31 March 23 with pre-Covid-19 comparator data:

	Base Year 2019-2020 Scope1,2, tCO2e	FY2022 – 2023 Scope 1 and 2, tCO2e
Durham office	5.38	3.30

Data calculated using Smart Carbon calculator (www.smartcarboncalculator.com)

Scope 1 (direct emissions) emissions are those from activities owned or controlled by the organisation.

Scope 2 (energy indirect) emissions are those released into the atmosphere that are associated with the consumption of purchased electricity, heat, steam and cooling.

The Foundation has appointed an internal 'Climate Champion' who in 2022/23 completed their NCFE CACHE Level 2 Certificate in understanding climate change and environmental awareness. They have been leading work to reduce the Foundation's carbon emissions. This includes improvements to the building to save energy and office recycling initiatives to drive behaviour changes. For example, blister packaging, glasses, and electrical waste collected in mass and recycled. In addition, the Foundation had a small bin per team member, lined with a plastic bag. These have now replaced with fewer, larger bins in the office and kitchen resulting in 1,200 fewer bin bags going into landfill.

County Durham Community Foundation

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Trustees' report (continued) Year ended 31 March 2023

Financial review

Financial statements

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 on 31 March 2023 stood at £18,344,950 (2022: £19,179,187), a reduction of £834,237 reflecting overall investment volatility, especially in quarter one, and the continuation of drawdown during this time to support charitable activities addressing the cost-of-living crisis.

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.

The increase in short term deposit rates was utilised accordingly in the year reflecting a total receipt of bank interest of £81,089. The cost base of the organisation remained at budgeted levels. This resulted in an unrestricted operating surplus of £104,849.

The financial forecast, prepared on a very prudent basis, shows a modest operating deficit on unrestricted funds for the coming year. This position is acceptable as the organisation has a strong track record of opportunities for income and some elements of the expenditure are considered as long-term investments to support and grow the organisation and factored into the current level of reserves holding.

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

County Durham Community Foundation

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Trustees' report (continued) Year ended 31 March 2023

Reserves policy

During 2022/23 the Foundation's reserves policy was reviewed and amended. The updated policy considers the requirement to carry a level of reserves under two themes.

The first theme is the operating reserves range. This is defined as the expenditure required to operate the organisation for a period between three (3) and six (6) months.

The second theme is the opportunity reserves range. At the current time, the Board of Trustees have identified key areas that need to be covered by the opportunity reserves range. These areas are:

- the continued development of the Foundation's positioning in the region it operates
- The provision of financial resource to mitigate the risk of clawback that is contractually an element in some programmes that the organisation does and could choose to deliver
- inclusion in projects such as aiding the establishment of a Poverty Truth Commission, or other such activities aligned to the Foundation's work in fighting poverty and enriching lives

The Board reviewed its reserves levels and designated £510,000 of general reserves to support running costs as part of its annual budget plan to allow the Foundation to run for up to 6 months if the income stream was severely impacted.

The Board is confident that reserves are sufficient to continue as a going concern.

Charity Funds held as at the end March 2023

Endowment Funds	£18,344,950
Restricted Funds	£4,360,077
Unrestricted Funds	£929,487
Total Funds	£23,634,514

The unrestricted funds balance at 31 March 2023 of £929,487 less fixed assets of £7,131 giving £922,356 as a general reserve available to meet future administrative and general development.

Investment policy

The Articles of Association provide wide powers of investment and the Foundation's assets are invested by its appointed 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 2022/23.

The Investment Committee's responsibilities are overseen by Resources and Policies Committee. The Board monitors investment performance closely at each Board meeting.

Under the current investment policy, 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. The aim is to achieve a balance between meeting current needs and growing the overall size of the endowment to meet future need.

The Foundation recognises the need to achieve a balance between risk and return, whilst investing within the remit of its ethical policies.

County Durham Community Foundation

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Trustees' report (continued) Year ended 31 March 2023

The investment objectives are currently:

- 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 c1.5% to cover costs).

Investment principles:

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

Investment performance

At the year end, the endowment portfolio stood at £18,344,950 (2022: £19,179,187).

The Charity's investment managers, CCLA, had a challenging year returning an overall performance to 31 March 2023 of -0.9%, the last 3 years performance being +36.9%. The year has been exceptionally challenging with the first quarter at -5.5% but the latter quarters having a positive performance to offset.

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 2022/23, four per cent (4%) of the endowment value of the majority of funds was drawn down for grant making activity, and a further amount of c1.6% was used as a contribution towards organisational running costs. This level of drawdown is 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). 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.

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. Using this facility means that a higher level of the organisation's cash is covered under the Financial Services Compensation Scheme than if it was not available to the organisation.

Linked charities

The 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. This allows the Foundation 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.

County Durham Community Foundation

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Trustees' report (continued) Year ended 31 March 2023

Linked charities are:

- Darlington Education Trust, which supports pupils of the ten secondary schools and colleges of the Borough of Darlington
- East Howle School Fund, which promotes the education of persons in the parish of Ferryhill
- Johnston Educational Foundation, which promotes the education of persons who attend or have attended secondary schools within Durham City
- King Edward VII Memorial Fund, which supports local hospices and hospitals
- The Hylton House Fund, which provides financial assistance to individuals with cerebral palsy and related disabilities, their families and carers
- The John T Shuttleworth Ropner Memorial Trust (Charity number 227186), which provides financial assistance to individuals in need of convalescence or respite care
- John Hewison Prize Fund, which promotes the education of individuals attending Durham Community Business College
- The Stanhope Castle School Charitable Trust, which supports young people (under 25) who are, or 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
- William Neesham Educational Trust Fund, which promotes the education of individuals attending Durham Community Business College

Details of these funds can be seen in Note 13 of these accounts.

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.

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 and assistance in the course of auditing the accounts.

Approved by order of the members of the board of trustees on 31 July 2023 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 2023

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. 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 31 July 2023 and signed on its behalf by:

James Fenwick
(Chairman)



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

Opinion

We have audited the financial statements of County Durham Community Foundation (the 'charitable company') for the year ended 31 March 2023 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 2023 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)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared 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.



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

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 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:

[Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud.]

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

Use of 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.

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

31 July 2023

County Durham Community Foundation

(A company limited by guarantee)

Statement of financial activities Year ended 31 March 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income and endowments from:						
Donations and legacies	2	213,213	-	-	213,213	117,917
Charitable activities	3	-	3,448,765	185,411	3,634,176	4,783,209
Investments	4	81,089	542,724	-	623,813	549,183
Total income and endowments		294,302	3,991,489	185,411	4,471,202	5,450,309
Expenditure on:						
Raising funds		220,073	-	-	220,073	165,872
Charitable activities		471,939	5,316,666	10,000	5,798,605	4,100,753
Total expenditure		692,012	5,316,666	10,000	6,018,678	4,266,625
Net (expenditure) / income before net gains/(losses) on investments		(397,710)	(1,325,177)	175,411	(1,547,476)	1,183,684
Net (losses)/gains on investments		-	-	(748,413)	(748,413)	1,590,990
Net (expenditure/income) before transfers		(397,710)	(1,325,177)	(573,002)	(2,295,889)	2,774,674
Transfers between funds	12	502,559	(241,324)	(261,235)	-	-
Net movement in funds		104,849	(1,566,501)	(834,237)	(2,295,889)	2,774,674
Reconciliation of funds:						
Total funds brought forward		824,638	5,926,578	19,179,187	25,930,403	23,155,729
Total funds carried forward		929,487	4,360,077	18,344,950	23,634,514	25,930,403

The notes on pages 30 to 49 form part of these financial statements.

County Durham Community Foundation

(A company limited by guarantee)

Summary income and expenditure account Year ended 31 March 2023

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Gross income in the reporting period	294,302	3,991,489	4,285,791	4,741,245
Less: Total expenditure	(692,012)	(5,316,666)	(6,008,678)	(4,266,625)
Net expenditure/(income) for the reporting period	<u>(397,710)</u>	<u>(1,325,177)</u>	<u>(1,722,887)</u>	<u>474,620</u>

Transfers of £502,559 were made to the unrestricted funds from the restricted and endowment funds during the year (2022: £616,066 transferred to the unrestricted funds from the restricted and endowment funds) resulting in total net expenditure of £1,461,652 (2022: net income of £930,187).

The notes on pages 30 to 49 form part of these financial statements.

County Durham Community Foundation

(A company limited by guarantee)

Balance sheet At 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	8	7,131	8,256
Investments	9	18,932,273	19,945,443
		<u>18,939,404</u>	<u>19,953,699</u>
Current assets			
Debtors	10	362,335	154,513
Short term cash deposits		4,163,734	4,811,603
Cash at bank and in hand		1,270,749	1,673,221
		<u>5,796,818</u>	<u>6,639,337</u>
Creditors: amounts falling due within one year	11	(1,101,708)	(662,633)
Net current assets		<u>4,695,110</u>	<u>5,976,704</u>
Net assets		<u><u>23,634,514</u></u>	<u><u>25,930,403</u></u>
Charity funds			
Endowment funds	12	18,344,950	19,179,187
Restricted funds	12	4,360,077	5,926,578
Unrestricted funds	12	929,487	824,638
Total funds		<u><u>23,634,514</u></u>	<u><u>25,930,403</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 31 July 2023 and signed on their behalf by:

James Fenwick, Chairman
(Chair of Trustees)

Company registered number: 3072153

The notes on pages 30 to 49 form part of these financial statements.

County Durham Community Foundation

(A company limited by guarantee)

Statement of cash flows Year ended 31 March 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	15	(1,932,601)	518,440
Cash flows from investing activities:			
Dividends, interests and rents from investments		623,813	549,183
Purchase of tangible fixed assets		(6,310)	(6,386)
Proceeds from sale of investments		880,287	901,411
Purchase of investments		(615,530)	(1,061,106)
Net cash provided by investing activities		882,260	383,102
Change in cash and cash equivalents in the year		(1,050,341)	901,542
Cash and cash equivalents at the beginning of the year		6,484,824	5,583,282
Cash and cash equivalents at the end of the year	16	5,434,483	6,484,824

The notes on pages 30 to 49 form part of these financial statements

County Durham Community Foundation

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2023

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 sectors in the region. The Foundation has strong free reserves of £922,536. 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 number of significant situations (including the conflict in Ukraine, emerging from a global pandemic and the impact of Brexit). 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 2023

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 2023

1. Accounting policies (continued)

1.5 Expenditure (continued)

Expenditure on raising funds includes all expenditure incurred by the company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the company's objectives, as well as any associated support costs.

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:

Fixtures and fittings	- 33% straight line
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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.

Short term cash deposits includes investments with a maturity of three months or more 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.

County Durham Community Foundation

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Notes to the financial statements Year ended 31 March 2023

1. Accounting policies (continued)

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.

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.

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Notes to the financial statements Year ended 31 March 2023

2. Income from donations and legacies

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	213,213	213,213	117,917
Total 2022	117,917	117,917	

3. Income from charitable activities

	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	3,448,765	185,411	3,634,176	4,783,209
Total 2022	4,074,145	709,064	4,783,209	

4. Investment income

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Investment income	-	542,724	542,724	531,190
Bank interest	81,089	-	81,089	17,993
	81,089	542,724	623,813	549,183
Total 2022	17,993	531,190	549,183	

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Notes to the financial statements Year ended 31 March 2023

5. Expenditure on charitable activities

	Direct costs 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Provision of grants	5,326,666	471,939	5,798,605	4,100,753
Total 2022	3,719,576	381,177	4,100,753	

Analysis of direct costs

The direct costs above are grants paid to community groups and other bodies during the year (taken from data submitted by grant applicants when applying for funding). They can be categorised as follows:

	2023 £	As restated 2022 £
Arts, culture and heritage	181,912	354,739
Community sector development	430,537	202,092
Community support, development and safety	840,851	521,156
Disaster response/relief	3,620	5,000
Education and training	470,616	174,307
Environment	180,687	215,897
Fairness, equality and inclusion	1,013,214	958,121
Health and wellbeing	1,979,745	919,702
Housing and homelessness	84,184	59,388
Sports and recreation	141,300	309,174
	5,326,666	3,719,576

The classification of direct costs has been simplified as the trustees believe this gives the users of the financial statements the appropriate level of information. The prior year figures have also been reclassified into these simplified categories.

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Notes to the financial statements Year ended 31 March 2023

Analysis of support costs

	Raising funds £	Grant making £	Governance £	2023 £
Office costs	9,532	39,746	18,963	68,241
Staff costs (inc. indirect staff costs)	150,759	220,157	64,606	435,522
Other costs	<u>59,782</u>	<u>86,987</u>	<u>41,480</u>	<u>188,249</u>
Total	<u>220,073</u>	<u>346,890</u>	<u>125,049</u>	<u>692,012</u>

No expenses were reimbursed to any trustees during the year (2022: £nil). No trustees received any remuneration.

The costs of grant making and governance is equal to support costs included within charitable activities, with expenditure on raising funds categorised separately on the statement of financial activities.

	Raising funds £	Grant making £	Governance £	2022 £
Office costs	9,164	42,769	8,502	60,435
Staff costs (inc. indirect staff costs)	132,853	233,517	35,104	401,474
Other costs	<u>23,855</u>	<u>39,170</u>	<u>22,115</u>	<u>85,140</u>
Total	<u>165,872</u>	<u>315,456</u>	<u>65,721</u>	<u>547,049</u>

6. Net income/(expenditure)

This is stated after charging:

	2023 £	2022 £
Depreciation of tangible fixed assets	7,435	8,790
Auditor's remuneration - audit	14,000	11,500
Operating lease rentals	25,055	23,184

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Notes to the financial statements Year ended 31 March 2023

7. Staff costs

Staff costs were as follows:

	2023 £	2022 £
Wages and salaries	323,813	331,409
Social security costs	33,668	31,210
Other pension costs	21,250	20,342
	<u>378,731</u>	<u>382,961</u>

Settlements of £nil were paid during the year (2022: £15,000).

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

	2023 No.	2022 No.
Raising funds	3	2
Charitable activities	6	7
Governance	2	1
	<u>11</u>	<u>10</u>

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	1	-

The key management personnel of the charity comprise the senior management team, with total employee benefits (including pension costs) of £198,016 (2022: £135,951). The prior year accounts disclosed only remuneration of the Chief Executive and Chief Operating Officer, whereas the current year includes the full senior management team.

The Foundation is an accredited Real Living Wage Employer.

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Notes to the financial statements Year ended 31 March 2023

8. Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 April 2022	38,125
Additions	6,310
Disposals	(10,200)
At 31 March 2023	<u>34,235</u>
Depreciation	
At 1 April 2022	29,869
Charge for the year	7,435
On disposals	(10,200)
At 31 March 2023	<u>27,104</u>
Net book value	
At 31 March 2023	<u><u>7,131</u></u>
At 31 March 2022	<u><u>8,256</u></u>

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Notes to the financial statements Year ended 31 March 2023

9. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2022	19,945,443
Additions	615,530
Disposals	(851,850)
Revaluations	(776,850)
At 31 March 2023	<u>18,932,273</u>
Net book value	
At 31 March 2023	<u>18,932,273</u>
At 31 March 2022	<u>19,945,443</u>

10. Debtors

	2023 £	2022 £
Other debtors	-	143
Prepayments and accrued income	362,335	154,370
	<u>362,335</u>	<u>154,513</u>

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Notes to the financial statements Year ended 31 March 2023

11. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	21,048	4,877
Other taxation and social security	-	8,086
Other creditors	973,994	587,917
Accruals and deferred income	106,666	61,753
	<u>1,101,708</u>	<u>662,633</u>

	2023 £	2022 £
Deferred income at 1 April 2022	17,247	20,494
Resources deferred during the year	-	7,000
Amounts released from previous periods	(17,247)	(10,247)
	<u>-</u>	<u>17,247</u>

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Notes to the financial statements Year ended 31 March 2023

12. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Unrestricted funds						
General Funds	824,638	294,302	(692,012)	502,559	-	929,487
Endowment funds						
Endowment Fund	19,179,187	185,411	(10,000)	(261,235)	(748,413)	18,344,950
Restricted funds						
Restricted Funds	5,926,578	3,991,489	(5,316,666)	(241,324)	-	4,360,077
Total of funds	25,930,403	4,471,202	(6,018,678)	-	(748,413)	23,634,514

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

£542,724 (2022: £531,190) was transferred from restricted funds to endowment funds in respect of the reallocation of the expendable endowment fund.

£187,752 (2022: £702,730) was transferred from endowment to restricted funds in respect of grant making activities and the annual drawdown.

£298,270 (2022: £284,027) was transferred from endowment funds, and £212,376 (2022: £332,039) was transferred from restricted funds, to unrestricted funds to contribute towards administration costs.

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Notes to the financial statements Year ended 31 March 2023

12. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Unrestricted funds						
General Funds	619,711	135,910	(547,049)	616,066	-	824,638
Endowment funds						
Endowment Fund	17,334,700	709,064	-	(455,567)	1,590,990	19,179,187
Restricted funds						
Restricted Funds	5,201,318	4,605,335	(3,719,576)	(160,499)	-	5,926,578
Total of funds	<u>23,155,729</u>	<u>5,450,309</u>	<u>(4,266,625)</u>	<u>-</u>	<u>1,590,990</u>	<u>25,930,403</u>

13. 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.

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Notes to the financial statements Year ended 31 March 2023

Restricted funds

	Brought forward	Income	Grants approved	Net gains / (losses)	Transfers	2023
	£	£	£	£	£	£
Trusts	194,678	74,546	(105,489)	-	(18,805)	144,930
Community First	454,895	122,393	(64,312)	-	(44,864)	468,112
Community Panel	2,032,727	1,818,788	(2,693,812)	-	315,807	1,473,510
Donor-Advised	973,311	571,371	(797,942)	-	(52,841)	693,899
Field of Interest	<u>2,270,967</u>	<u>1,404,391</u>	<u>(1,655,111)</u>	<u>-</u>	<u>(440,621)</u>	<u>1,579,626</u>
Total	<u>5,926,578</u>	<u>3,991,489</u>	<u>(5,316,666)</u>	<u>-</u>	<u>(241,324)</u>	<u>4,360,077</u>

Expendable endowments

	Brought forward	Income	Grants approved	Net gains / (losses)	Transfers	2023
	£	£	£	£	£	£
Trusts	2,630,687	-	-	(102,717)	(16,623)	2,511,347
Community First	2,567,867	-	-	(98,886)	(61,129)	2,407,852
Community Panel	2,914,652	6,613	-	(117,769)	(61,137)	2,742,359
Donor-Advised	6,950,457	143,945	(10,000)	(270,747)	(115,226)	6,698,429
Field of Interest	<u>4,115,524</u>	<u>34,853</u>	<u>-</u>	<u>(158,294)</u>	<u>(7,120)</u>	<u>3,984,963</u>
Total	<u>19,179,187</u>	<u>185,411</u>	<u>(10,000)</u>	<u>(748,413)</u>	<u>(261,235)</u>	<u>18,344,950</u>

Trusts

	Brought forward	Income	Grants approved	Net gains / (losses)	Transfers	2023
	£	£	£	£	£	£
Darlington Education Trust	1,131,060	29,163	(31,600)	(40,729)	(8,773)	1,079,121
Durham Johnston Educational Foundation	181,219	4,653	(15,562)	(6,497)	(1,904)	161,909
Hylton House Trust	181,642	5,759	(9,893)	(6,648)	(682)	170,178
John T Shuttleworth Ropner Memorial Trust	870,862	23,121	(37,098)	(32,289)	(16,578)	808,018
Stanhope Castle Charitable Trust	291,920	7,355	(6,218)	(10,272)	(5,274)	277,511
Other Trusts under £100k	<u>168,662</u>	<u>4,495</u>	<u>(5,118)</u>	<u>(6,282)</u>	<u>(2,217)</u>	<u>159,540</u>
Total	<u>2,825,365</u>	<u>74,546</u>	<u>(105,489)</u>	<u>(102,717)</u>	<u>(35,428)</u>	<u>2,656,277</u>

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Notes to the financial statements Year ended 31 March 2023

Community First

	Brought forward	Income	Grants approved	Net gains / (losses)	Transfers	2023
	£	£	£	£	£	£
2D Legacy Fund	225,481	5,934	(8,831)	(8,042)	(3,901)	210,641
Banks Family Community First	85,153	2,284	-	(3,138)	(1,402)	82,897
Banks Foundation Community First	467,897	10,688	(6,300)	(14,667)	(5,560)	452,058
Banks Pegswood Moor Community Benefits Fund	154,923	3,851	(4,996)	(5,204)	(2,282)	146,292
CDCF Community First Match Fund	225,587	-	(200)	-	(20,000)	205,387
Darlington Education Community First Trust Fund	809,629	21,738	(200)	(29,890)	(12,307)	788,970
Jackie Maddison Community First Trust	149,138	3,706	-	(5,012)	(2,205)	145,627
Nicholson Family Community First	135,543	3,599	(7,974)	(4,941)	(2,143)	124,084
Pete & Jackie Maddison Community First Fund	110,020	2,577	(11,927)	(3,487)	(1,586)	95,597
Willington and Parkside Fund	260,047	7,017	(10,401)	(9,411)	(2,723)	244,529
Other Community First	<u>399,344</u>	<u>60,999</u>	<u>(13,483)</u>	<u>(15,094)</u>	<u>(51,884)</u>	<u>379,882</u>
Total	<u><u>3,022,762</u></u>	<u><u>122,393</u></u>	<u><u>(64,312)</u></u>	<u><u>(98,886)</u></u>	<u><u>(105,993)</u></u>	<u><u>2,875,964</u></u>

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Notes to the financial statements Year ended 31 March 2023

Community Panel

	Brought forward	Income	Grants approved	Net gains / (losses)	Transfers	2023
	£	£	£	£	£	£
Banks Kype Muir Community Fund	237,966	173,162	(153,548)	-	(12,221)	245,359
County Durham & Darlington NHS Health Improvement Fund	2,398,460	62,350	(288,042)	(87,076)	80,270	2,165,962
ESF Community Grants	(88,053)	84,640	(50,581)	-	(12,160)	(66,154)
NTR Quixwood Moor Wind Farm Community Fund	202,903	-	(5,520)	-	-	197,383
Poor Moor Trust Fund	399,239	10,747	(18,000)	(18,363)	(3,696)	369,927
Walkway Windfarm Fund	120,647	10,127	-	(4,511)	(2,413)	123,850
Other Community Panel	<u>1,676,217</u>	<u>1,484,375</u>	<u>(2,178,121)</u>	<u>(7,819)</u>	<u>204,890</u>	<u>1,179,542</u>
Total	<u>4,947,379</u>	<u>1,825,401</u>	<u>(2,693,812)</u>	<u>(117,769)</u>	<u>254,670</u>	<u>4,215,869</u>

Donor-Advised

	Brought forward	Income	Grants approved	Net gains / (losses)	Transfers	2023
	£	£	£	£	£	£
Banks Family Fund	1,684,132	42,708	(86,475)	(59,646)	(83,566)	1,497,153
Banks Family Grassroots (Durham)	342,404	7,924	(6,500)	(11,066)	(54,240)	278,522
CDCF Administration Endowment Fund	429,410	62,786	-	(15,507)	(25,279)	451,410
Durham Cathedral's Chorister Bursary Fund	193,209	5,193	(7,728)	(7,252)	(3,032)	180,390
John Simpson Greenwell Memorial Fund	400,254	10,027	(4,600)	(14,003)	(5,346)	386,332
Karbon Homes Grassroots Fund	290,866	7,771	(9,698)	(10,852)	(4,343)	273,744
Miller Wood Bonsall Fund	257,490	6,770	-	(9,455)	(3,876)	250,929
Peter and Jayne Cook Fund	187,227	4,846	(5,000)	(6,769)	(2,847)	177,457
Other Donor-Advised	<u>4,138,776</u>	<u>567,291</u>	<u>(687,941)</u>	<u>(136,197)</u>	<u>14,462</u>	<u>3,896,391</u>
Total	<u>7,923,768</u>	<u>715,316</u>	<u>(807,942)</u>	<u>(270,747)</u>	<u>(168,067)</u>	<u>7,392,328</u>

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Notes to the financial statements Year ended 31 March 2023

Field of Interest

	Brought forward	Income	Grants approved	Net gains / (losses)	Transfers	2023
	£	£	£	£	£	£
Anonymous 2019 Fund	232,615	6,547	-	(9,141)	(11,673)	218,348
BAT Skills Development Bursary Fund	219,052	4,410	-	(6,159)	(7,946)	209,357
County Durham Educational Trust (CDET) Fund	328,038	9,241	-	(12,906)	(16,176)	308,197
Darlington & District Youth & Community Association Fund	161,809	4,552	-	(6,358)	(8,193)	151,810
Durham County Waste Management Fund	172,308	4,848	-	(6,772)	(8,709)	161,675
Ferryhill Station, Mainsforth & Bishop Middleham Aid in Sick	154,797	3,915	(500)	(5,467)	(1,642)	151,103
Francis James Bell Fund	164,105	4,364	(8,000)	(6,095)	(1,801)	152,573
Future Initiatives Fund	1,128,077	500,000	(64,031)	-	(812,192)	751,854
Sir Paul and Lady Nicholson Fund	573,417	115,873	-	(22,167)	(127,151)	539,972
Vardy Fund	265,421	7,472	-	(10,435)	(13,249)	249,209
Other Field of Interest	<u>2,986,852</u>	<u>778,022</u>	<u>(1,582,580)</u>	<u>(72,794)</u>	<u>560,991</u>	<u>2,670,491</u>
Total	<u>6,386,491</u>	<u>1,439,244</u>	<u>(1,655,111)</u>	<u>(158,294)</u>	<u>(447,741)</u>	<u>5,564,589</u>

14. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Tangible fixed assets	7,131	-	-	7,131
Fixed asset investments	-	587,323	18,344,950	18,932,273
Current assets	1,050,070	4,746,748	-	5,796,818
Creditors due within one year	(127,714)	(973,994)	-	(1,101,708)
	<u>929,487</u>	<u>4,360,077</u>	<u>18,344,950</u>	<u>23,634,514</u>

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Notes to the financial statements Year ended 31 March 2023

14. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Tangible fixed assets	8,256	-	-	8,256
Fixed asset investments	-	766,256	19,179,187	19,945,443
Current assets	891,098	5,748,239	-	6,639,337
Creditors due within one year	(74,716)	(587,917)	-	(662,633)
	<u>824,638</u>	<u>5,926,578</u>	<u>19,179,187</u>	<u>25,930,403</u>

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

	2023 £	2022 £
Net income/expenditure for the year (as per Statement of Financial Activities)	<u>(2,295,889)</u>	<u>2,774,674</u>
Adjustments for:		
Depreciation charges	7,435	8,790
Losses/(gains) on investments	748,413	(1,590,990)
Dividends, interests and rents from investments	(623,813)	(549,183)
(Increase)/decrease in debtors	(207,822)	49,290
Increase/(decrease) in creditors	439,075	(174,141)
Net cash provided by/(used in) operating activities	<u>(1,932,601)</u>	<u>518,440</u>

16. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	1,270,749	1,673,221
Short term deposits	4,163,734	4,811,603
Total cash and cash equivalents	<u>5,434,483</u>	<u>6,484,824</u>

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Notes to the financial statements Year ended 31 March 2023

17. Analysis of changes in net debt

	At 1 April 2022	Cash flows	At 31 March 2023
	£	£	£
Cash at bank and in hand	1,673,221	(402,472)	1,270,749
Liquid investments	4,811,603	(647,869)	4,163,734

18. 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 £21,250 (2022: £20,342). Contributions totalling £nil (2022: £nil) were payable to the fund at the balance sheet date.

19. Operating lease commitments

At 31 March 2023 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Within 1 year	23,184	23,184
Between 1 and 5 years	52,164	5,796
	<u>75,348</u>	<u>28,980</u>

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Notes to the financial statements Year ended 31 March 2023

20. Related party transactions

A number of grants were paid to organisations where CDCF trustees are also trustees. The grants follow normal approval process and the trustees concerned are not involved.

During the year grants totalling £nil (2022: £36,500) were paid to the Association of Teesdale Day Clubs, and a charity of which Ann Dolphin, trustee, is a trustee.

During the year grants totalling £1,000 (2022: £nil) were paid to Pioneering Care Partnership, an organisation of which Ann Dolphin, trustee, is a member.

During the year grants totalling £5,981 (2022: £nil) were paid to Refuse CIC, an organisation of which Paul Chandler, trustee, is a member of the advisory board.

During the year grants totalling £6,842 (2022: £nil) were paid to West Rainton and Leamside Partnership, an organisation of which Emily Burns, trustee, is a trustee.

During the year £nil (2022: £134) was paid to Sparkle Developments Ltd, a company of which Rebecca Armstrong is a director, as part of a normal business related transaction.

During the year grant totalling £29,600 (2022: £5,000) were paid to Durham Youth CIO, an organisation of which Emily Burns, trustee, is a director and Rebecca Armstrong, trustee, is an advisor.

During the year grants totalling £44,323 (2022: £1,000) were paid to Creative Youth Opportunities CIC, an organisation of which Rebecca Armstrong, trustee, is a trustee.

During the year grants totalling £2,000 (2022: £nil) were paid to Sherburn Hill Hub, an organisation of which Rebecca Armstrong, trustee, is an advisor.

During the year grants totalling £nil (2022: £2,398) was paid to CreativePop CIC, an organisation of which Rebecca Armstrong, trustee, is a director.

During the year grants totalling £7,340 (2022: £nil) were paid to Furniture Reclamation and Delivery Enterprise, a company of which Peter Locke, trustee is a director.

During the year donations totalling £52,580 (2022: £1,200) were received by the Foundation from the trustees or organisations that trustees had declared an interest in.