

Charity registration number 229119

Company registration number 00309329 (England and Wales)

**DURHAM COMMUNITY ACTION LIMITED**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

# DURHAM COMMUNITY ACTION LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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### Trustees

Professor SJ Banks  
Mrs LC Bird  
Mrs P Buckley-Atkins  
Mrs J Flynn MBE  
Mrs A Hawkes (Appointed 23 September 2021)  
Mrs E Kilgannon MBE (Appointed 23 September 2021)  
  
Mr MJ Litchfield  
Mr J Robinson  
Professor JF F Robinson (Appointed 23 September 2021)  
Mrs CA Smith  
Mrs JM Worters MBE

### Secretary

Mrs K Burrows

### Charity number

229119

### Company number

00309329

### Registered office

8 St. Stephens Court  
Low Willington  
Crook  
County Durham  
England  
DL15 0BF

### Independent examiner

Robson Laidler Accountants Limited  
Fernwood House  
Fernwood Road  
Jesmond  
Newcastle Upon Tyne  
Tyne and Wear  
England  
NE2 1TJ

### Bankers

Lloyds Bank  
54 Fawcett St  
Sunderland  
SR1 1SF

### Solicitors

Muckle LLP  
Time Central  
32 Gallowgate  
Newcastle Upon Tyne  
NE1 4BF  
  
Swinburne Maddison LLP  
Venture House  
Aykley Heads Business Centre  
Durham  
DH1 5TS

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# DURHAM COMMUNITY ACTION LIMITED

## CONTENTS

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	<b>Page</b>
Chair's statement	1 - 2
Trustees' report	3 - 16
Independent examiner's report	17
Statement of financial activities	18 - 19
Balance sheet	20
Statement of cash flows	21
Notes to the financial statements	22 - 32

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# **DURHAM COMMUNITY ACTION LIMITED**

## **CHAIR'S STATEMENT**

### **FOR THE YEAR ENDED 31 MARCH 2022**

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Emerging from the extended periods of lockdown during 2021, we have been taking stock and building on the close collaborative work with our colleagues in the VCSE (Voluntary, Community and Social Enterprise) sector, and in the Public Sector.

Having adjusted to working remotely, we continued to prioritise keeping in touch with organisations and groups that were sustaining community support networks at whatever levels they and we could. The last year was a time for re-setting and building on lessons learned. It was also a time for shining more of a light on the ramifications of the pandemic for communities and people.

The effects of Covid on communities, and on the VCSE's reach, their workforce, volunteering, and their growth / development did weaken capacity. Our social and community infrastructure was undermined, and we expect recovery to take shape over a much longer than anticipated period, years rather than months.

This vulnerability was compounded by a succession of Winter storms, with an expectation that severe weather and the impacts it has on community infrastructure is being designated a 'new normal,' as climate change has become more tangible in the public eye.

There are increasingly complex challenges for both the VCSE and our partners in the public sector with respect to equitable provision of public services, including health, social care, and education.

These challenges include the undermining impacts of poverty, poor and worsening mental health and the escalating rate of the cost of living. We are already seeing discomfiting increases in the numbers using food and fuel banks, and the growing number of new faces queuing for food and debt advice. These challenges are now even more evident, highly visible, and will become more acute in the coming year.

Any one of the challenges which we are facing would be difficult to respond to with tired and dispirited workforces across all sectors, however the range and depth of these challenges coming together in the wake of the pandemic and cost of living crisis is a very real concern.

Our work during the year was responsive in nature. We were able to collaborate with our colleagues in the VCSE, and in the public sector, to support communities with information, advice, and training, as volunteers responded to the fall out of the Winter storms and increasing levels of isolation.

Addressing this broad spectrum of issues, our work themes prioritised:

- Health and wellbeing, including mental health
- Volunteering
- Representation, advocacy, and voice for the VCSE
- Policy and implications for communities: housing, access to services, enterprise, carbon reduction and energy, digital infrastructure and reach, and loneliness.

The three key themes that remained consistent for us, year on year were Volunteering Support, Community Asset building, and collaborations and alignment with key VCSE support organisations.

Supporting networks and partnerships within the VCSE continued to be of crucial importance to us. As a VCSE infrastructure support provider, we play a key role in representing and championing the sector. Multi-sector partnerships in County Durham have proved to be highly effective conduits for information exchanges, problem solving, consultation and co-production in shaping new approaches to services, and never more so than during the past year.

Over the course of the year, we worked closely with a diverse range of funders, including commissioners, the Community Foundation and charitable grant giving trusts. Working collaboratively, funders have been hugely supportive to the sector, enabling greater flexibility, and supporting the sector as organisations adapted the ways in which they reach their beneficiaries. Through this support a lot of VCSE organisations and groups have been able to sustain, and to start the process of rebuilding their income streams and activities.

# **DURHAM COMMUNITY ACTION LIMITED**

## **CHAIR'S STATEMENT (CONTINUED)**

### ***FOR THE YEAR ENDED 31 MARCH 2022***

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Alongside many organisations in the VCSE who are reliant on a broad portfolio of funding support, we were very fortunate and grateful to have the overwhelming support of Durham County Council, Defra, the National Lottery Communities Fund, County Durham Clinical Commissioning Group (CCG), the Office of the County Durham Police, Crime & Victims Commissioner, County Durham Community Foundation, and all our other funders.

In terms of the future of Durham Community Action (DCA) as a going concern, our Trustees have continued to meet on a bi-monthly basis to review income and cash flow.

We were delighted to welcome three new Trustees to our Board during the year, bringing experience and insight from local community action, health and wellbeing, strategic management, and social research perspectives.

We reviewed working arrangements for our staff as we moved out of lockdown, and, through collaboration with the staff group and Trustees, we developed a hybrid working policy that enables a mix of both home and office-based working. All staff have continued to work highly effectively and have maintained their support work.

Financially, we are grateful that DCA can look forward to the coming year with a degree of confidence, despite the continuing challenges, and the climate in which we continue to operate.

This report outlines the charity's objectives and achievements during the year to 31 March 2022 and details the arrangements that are in place to protect and develop resources.

2021/2022 was a year that continued to challenge and stretch community resilience over and beyond embarkation on the road to recovery from Covid. For DCA, our longevity in County Durham has helped us to work responsively and supportively, however the challenges on all sectors will continue to be exceptional. Alongside all our colleagues in public service, we are continuing to work with the ramifications of the pandemic and to adapt and respond to new and emerging needs as we go.

As Chair, I would once again like to express my thanks and appreciation to the Staff and Trustees, who are without doubt Durham Community Action's most valuable assets.

On behalf of all the Members, Staff and Trustees I would also like to express special thanks and appreciation to our funders and all those who placed their faith in us to continue our support for the sector.

**Mrs Jan Worters MBE**  
**Chair of Executive Committee**

# DURHAM COMMUNITY ACTION LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's [governing document], the Companies Act 2006 and "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).

### Objectives and activities

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

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

### ABOUT DCA AND OUR VALUES

Durham Community Action works with and for communities across County Durham. We believe County Durham is a better place for having thriving community organisations. We run DCA well, so we can support community organisations by:

- Providing expertise and advice which is tailored to needs and circumstances.
- Supporting and nurturing new community initiatives
- Enabling good volunteering practice and opportunities.
- Representing and providing a voice for the community and voluntary sector in County Durham.

Our values	About us
<b>Objectivity, honesty &amp; integrity</b>	<b>Providing Expertise and Advice:</b> We support community organisations to do their work effectively, by providing advice, training, resources, and help to tackle challenges, and to realise their aspirations.
<b>Do the right thing</b>	
<b>Set high standards for the sector</b>	<b>Supporting new initiatives:</b> We work with networks and communities of interest to track opportunities and challenges for the sector, and to innovate and test new approaches which strengthen our social and community infrastructure.
<b>Encourage a can-do culture</b>	
<b>Accountability and responsibility</b>	<b>Enabling good volunteering:</b> We provide brokerage and resources to develop volunteering opportunities and good practice in volunteer involving organisations. We champion volunteering across all sectors in County Durham, and support people who are new to volunteering to find the right opportunities for them.
<b>Professional pride</b>	
<b>Enabling leadership</b>	<b>Providing a voice:</b> We apply our knowledge and expertise within the VCS into sector led networks, and multi-agency partnerships in County Durham, the North East and nationally. We achieve this, through effective leadership, and representing sector interests and the issues that affect communities in County Durham. Through championing the interests of our local VCSE sector, we can influence and help shape public sector policy, and the design and commissioning of local services.
<b>Learning the lessons and sharing them.</b>	
<b>Listening, reflecting</b>	
<b>Analysis and problem solving</b>	

# DURHAM COMMUNITY ACTION LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### Objectives, performance, and achievements

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

We have placed an emphasis on supporting and sustaining community assets, with an objective to support the resilience of our social and community infrastructure in County Durham. Our work streams were focused primarily on three objectives:

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

**Objective 1 - Supporting Community Organisations:** Keeping in touch, providing support and help (information, advice, and guidance) for community organisations and groups, particularly for volunteer led groups. Supporting development and public access to community spaces and services.

<b>Priorities</b>	<ul style="list-style-type: none"><li>• Keeping in touch with volunteer led community groups, and providing a range of information, updates &amp; news, advice, and guidance.</li><li>• Supporting groups with funding and training,</li><li>• Providing opportunities for networking and training, plus on-going support for the wider Voluntary, Community &amp; Social Enterprise Sector (VCSE).</li><li>• Supporting community groups providing informal mental health support through the Cree network</li><li>• Assisting local groups planning for community-led housing initiatives.</li></ul>
<b>Achievements</b>	<ul style="list-style-type: none"><li>• 766 VCSE groups and organisations were supported with information, advice, and guidance.</li><li>• The Share and Learn Network for community organisations and groups continued to thrive on-line and we provided a fully subscribed programme of networking and training activities. Membership of the network increased to 327 organisations and groups. The network has a closed Facebook page that now has an active membership of 115 organisations.</li><li>• 414 people participated in themed workshops, including three Meet the Funder events, and Community Buildings.</li><li>• Collaborating with colleagues in the VCSE, we continued to provide information and training, particularly promoting safeguarding and risk awareness for staff and volunteers in the sector. We also contributed to Adult Safeguarding Awareness Week in November through a series of on-line activities and events.</li><li>• We continued with developmental support for the Community Hubs Programme, supporting a cohort of 47 community organisations through consultancy, case work and training for volunteer trustees, to put governance and business planning into place. We also provided funding advice and access to small grants.</li><li>• 39 organisations in the Cree network were supported, with developmental workshops and support to access grant aid.</li></ul>

# DURHAM COMMUNITY ACTION LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### Objective 1 - Supporting Community Organisations (continued)

<b>Public benefit</b>	<ul style="list-style-type: none"><li>• As a broker and information point for the VCSE, we were able to ensure the sector had rapid access to relevant, timely guidance and advice as they sought resources to re-open and/or to re-build their activity programmes after being closed due to Covid. We supported and advised community services about how they could manage and ensure their continuing compliance and safety within new and rapidly changing guidelines and regulations.</li><li>• Advice, guidance, and interventions helped to sustain community-based services delivered by volunteers, and community buildings managed by local people, helping them to re-establish the resources they need (staff, volunteers, and funding) to continue supporting their beneficiaries.</li><li>• Peer to peer networks for volunteer trustees were expanded and supported, ensuring greater shared learning, problem solving and confidence building to plan and to sustain their offer.</li><li>• Knowledge, understanding and access to a changed funding climate were improved within the Voluntary, Community &amp; Social Enterprise Sector.</li><li>• Volunteers and front-line staff were able to work together across sectors, to develop good practice and help them to provide stronger support for their clients and user groups.</li><li>• Lessons learned and intelligence were shared and disseminated, to ensure a clear view of social infrastructure issues arising through recovery, further crises (triggered by impacts of Winter storms), and then through longer term adjustments to different ways of working and the tools required e.g., digital services and reach for the most vulnerable and isolated people.</li></ul>
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# DURHAM COMMUNITY ACTION LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

**Objective 2. Volunteering:** Support for volunteers and the volunteering infrastructure in County Durham (groups and organisations that work with volunteers, mutual aid groups, individual volunteers supporting health and wellbeing programmes, and local community action).

<b>Priorities</b>	<ul style="list-style-type: none"> <li>• Managing our on-line Volunteering Platform for recruiting volunteers and promoting opportunities,</li> <li>• Supporting and training for volunteer led groups, including support for mutual aid groups: advice, funding and access to resources and training,</li> <li>• Supporting organisations working with volunteers, with advice and training, particularly regarding safeguarding.</li> <li>• Collaboration with partners to coordinate a voluntary support offer for people struggling under Covid restrictions,</li> <li>• Establishing, recruiting, and managing a volunteer bank to assist with Covid vaccination and testing programmes.</li> <li>• To ensure that volunteer involving organisations have the resources and skills they need to support volunteers and their beneficiaries safely and in full compliance with their legal obligations.</li> </ul>
<b>Achievements</b>	<ul style="list-style-type: none"> <li>• 705 people, new to volunteering, were supported via the Centre for Volunteering, with advice, information, and guidance.</li> <li>• 247 volunteers were actively volunteering with the Volunteer Bank at the end of the year, all of whom we recruited and provided induction training for.</li> <li>• We developed and expanded training and support sessions on-line and provided good practice support for organisations that are run by, and support volunteers in: remote working practices, safeguarding, volunteer recruitment, and supporting younger volunteers. Specific developmental sessions included volunteers and the law and safeguarding.</li> <li>• 42 training sessions attracted 342 delegates from 120 organisations and groups. During the year 49 new volunteer led groups linked with us through our training programme.</li> <li>• The Volunteer Co-ordinators Forum ended the year with a membership of 270 organisations that work with volunteers. We organised and hosted 4 meetings of the Forum on-line, attracting increased participation from the membership.</li> <li>• We continued to inform and consult with the VCSE Safeguarding Network and provided representation on both the Children and Adult Safeguarding Boards in County Durham. Contributions from the Network are fed through to Safeguarding Board meetings and training events, helping to inform and shape resources.</li> <li>• We sustained contact and support for mutual aid groups across County Durham, picking up messages from their contacts with vulnerable people, and assisting Town and Parish Councils with support for development of Community Resilience Planning.</li> </ul>
<b>Public benefit</b>	<ul style="list-style-type: none"> <li>• As a result of this work, volunteer involving organisations in County Durham are more effectively networking, sharing good practice, and offering mutual support for tackling and finding solutions to problems.</li> <li>• There are improved pathways for volunteers to access opportunities, develop their experience and make contributions that are both valued and add value to civil society.</li> <li>• There is now a robust and efficient system of communication and collaboration between front line staff in the NHS and the VCSE sector with respect to recruitment, support, and placements for volunteers.</li> <li>• Volunteer led groups and organisations have support and ready access to advice and help when they need it. They are better informed and have the resources on hand that help them to ensure that their volunteers are well trained and supported.</li> </ul>

# DURHAM COMMUNITY ACTION LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

**Objective 3 - Voice:** Representing and championing the VCSE (Voluntary, Community & Social Enterprise Sector) voice, through the range of strategic multi sector partnerships, and through continuing reviews of partnership working across the sector.

<b>Priorities</b>	<ul style="list-style-type: none"><li>• Health and wellbeing - to sustain and ensure a social and community infrastructure is in place and has access to resources which help it to thrive and re-build.</li><li>• Consulting VCSE organisations and service providers to build stronger local connections with Primary Care Networks and supporting planning for revised Social Prescribing models and new systems for access to health care.</li><li>• Consulting, surveying, and analysis of intelligence gathered from the VCSE sector and disseminating it through partnerships.</li><li>• Representing community and voluntary sector interests as a member of the County Durham Together Partnership, various Task groups (Funding and Volunteering) and as a member of the Board of the County Durham Partnership. This enables DCA to collaborate with public sector colleagues to promote a joined-up policy for commissioning and funding, engaging with communities of interest in the development of new funding programmes, and influencing the provision of key services by engagement with Heads of Services.</li><li>• Consulting and surveying VCSE sector service providers to gather and share intelligence about needs, and issues arising from support work in the community. Disseminating important information and best practice through multi sector partnerships.</li><li>• Ensuring that the VCSE sector is fully engaged with co-production on responsive services to support mental health, access to advice providers and health care</li><li>• Ensuring that Advice in County Durham and 'Better Together' are mobilised to share insights and experience, as networks of countywide VCSE and specialist providers, and contributing to development and delivery of objectives arising from the Poverty Action Group.</li><li>• Chairing and supporting the review and development of the Advice in County Durham multi-agency network as the 'go to' practitioner network for all agencies to come together and join up services. Network members provide advice and one to one casework support across County Durham.</li></ul>
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# DURHAM COMMUNITY ACTION LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### Objective 3 - Voice (continued)

<b>Achievements</b>	<ul style="list-style-type: none"> <li>• During the year, we continued to Chair the Better Together Network, including two policy forums, and the Advice in County Durham Partnership. We also continued to contribute to the County Durham Partnership Board from a VCS perspective. These roles have helped to inform strategic agendas for partnership working in County Durham, and for emerging new models of commissioning services.</li> <li>• Representing the sector on the Regional Funders Network, we helped inform and shape funders approaches to supporting the sector through recovery from the shocks of Covid and then winter storms. Working in collaboration with the County Durham Community Foundation, we also administered a micro grants scheme to support mutual aid groups with supplies, and a small grant scheme for community buildings.</li> <li>• We continued with development of a Connector commissioning model, to target funding into the VCSE sector more effectively, and consulted with VCSE and commissioning colleagues through a Better Together Policy Forum.</li> <li>• We represented VCSE interests in multi-sector Task Groups, tackling mental health, funding and investment, and volunteering. We collaborated with partners from the local authority and NHS/Public Health to coordinate communications, resources and reach into communities and responding to local needs. We also represented the VCSE into the Community Cell for County Durham, providing regular updates on issues and impacts for the sector.</li> <li>• Co-ordinating and managing information exchanges for the VCSE and health &amp; social care providers about good practice particularly in rural areas, regarding social isolation, health, and wellbeing services. This included leadership of workshops about the VCSE in County Durham, for NHS staff based in Primary Care practices and Hospital Foundation Trusts.</li> <li>• Under our leadership, the Advice in County Durham Partnership compiled and supported a successful three-year funding bid to develop the partnership. We also consulted and drew up plans for a membership survey and a plan for surveying debt advice providers services in the County. We refreshed and confirmed a governance model for the Advice Partnership, so that partners are robust enough to manage future investment opportunities, together with any future resultant conflicts of interest that may arise.</li> </ul>
<b>Public benefit</b>	<ul style="list-style-type: none"> <li>• Voluntary and community sector led partnerships are collaborating to shape community services. This will enable them to be responsive to the needs of communities that are struggling in the wake of the pandemic, and with the impacts emerging because of the economic downturn, particularly regarding mental health, food and fuel poverty and access to support and advice services. This in turn ensures that the voluntary sector is actively engaged and represented within key public sector led networks.</li> <li>• Collaborative coalitions are working to influence the design and delivery of public service contracts.</li> <li>• Front line VCS organisations are better informed and trained about the issues that affect them and the people they work with.</li> <li>• Funding and investment into the VCSE sector are becoming more responsive, streamlined, and targeted, and more enabling in terms of sustaining a community infrastructure through the pandemic.</li> <li>• The VCSE in County Durham has a strong representational base that is influencing the ways in which public services are shaped.</li> </ul>

# **DURHAM COMMUNITY ACTION LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2022**

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#### **Volunteers**

The charity provides a comprehensive range of services that promote and support volunteering across County Durham. These services are provided through a Volunteer Centre (County Durham Volunteering). The priorities and achievements for volunteering services are set out in Objective 2 above.

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

Our primary role regarding volunteers in any setting, is one of brokerage and advice. We support groups and organisations in the VCSE sector to recruit and support volunteers and provide training and resources to ensure that they have compliant policies and procedures in place. Significantly, we provide training, resources, guidance, and advice about Safeguarding for volunteers and for VCSE beneficiaries.

#### **Financial review**

The result for the financial year ended 31 March 2022 showed a surplus of £220,559, compared to a surplus of £142,258 in 2021. This was split between a £148,965 unrestricted surplus from the charity's core activities, and a surplus of £71,594 on its restricted activities.

The surplus on restricted funds relates to year-on-year differences in the timing between funds being received and expended on project activity. The surplus in our day-to-day activities was encouraging, especially when viewed in the context of the continuing challenges posed by the Covid-19 pandemic that impacted our operations throughout the year. We are grateful that funders and partners maintained pragmatic policies. This ensured that the VCSE sector remained sufficiently resourced to maintain support, as communities began to rebuild following prolonged periods of closure during the peak of the Covid pandemic. We ended the year with a healthy surplus which bolstered our reserves. This will hold us in good stead to maintain delivery at current levels, when funding inevitably becomes more constrained due to the wider financial pressures within the economy.

Our proven track record of delivery enabled us to continue attracting and delivering additional fully funded activities using our existing staff resources. We were also able to plan for additional staff resources to meet increasing levels of need and developing work to adapt and design new systems for joined up working between the VCS and public sector services.

# DURHAM COMMUNITY ACTION LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### Financial procedures

Our financial planning follows an annual cycle, linked into the business planning and reporting rounds. The draft annual budget for organisational core costs is usually set by the Board of Trustees at the start of each financial year. Income and projected expenditure for programmes / projects and work streams during the year are factored into the budget.

The charity operates an accounting system that ring fences project / programme funding within the accounts, ensuring that monitoring and auditing systems are transparent. The Executive Committee undertakes regular monitoring of the budget on a bi-monthly basis.

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

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

- Charitable Trusts: County Durham Community Foundation
- Government: Defra
- Health: Clinical Commissioning Groups (CCG's)
- Local Authorities: Durham County Council, Office of the Durham Police, Crime & Victims' Commissioner
- National Lottery Community Fund

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

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

#### Reserves policy

On 31 March 2022, the Charity's free reserves were £437,968 with an additional £238,486 held in restricted funds that are ring fenced to support specific projects.

DCA starts from a position of relative strength, with healthy reserves that we have built up thanks to the support of our funders during the ongoing Covid-19 pandemic, coupled with savings from reduced running costs during enforced office closures.

These reserves provide us with a buffer and will be very important to see us through the anticipated contraction and difficulties of the next 2 - 3 years, when we expect to see a reduction in income whilst maintaining expenditure to continue our current range of support services.

Trustees are aware of growing pressures on all community support services, and DCA's support will be under additional and significant demand by the VCSE during the challenges faced by our sector over the two-three years ahead.

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

# DURHAM COMMUNITY ACTION LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Description	Amount
Total reserves	£680,889
Comprising:	
Restricted funds (ring fenced to support specific projects)	£238,486
Unrestricted funds (see note 16)	£442,403
Less fixed assets	(£4,435)
<b>Free reserves</b>	<b>£437,968</b>
<b>Free reserves are ring-fenced for the following:</b>	
Six months' core costs and estimated redundancy costs	£139,579
Contribution to meet projected shortfall in the 2022/2023 budget	£26,688
Designated fund to support upgrade of DCA's IT facilities	£30,000
Designated fund for the provision of services in 2023/2024 and future years	£100,000
Unallocated reserves	£141,701
<b>Total</b>	<b>£437,968</b>

### Reserves policy (continued)

DCA's financial situation is expected to remain stable during 2022/2023, with an anticipated modest deficit of £27k. DCA's Trustees have decided to invest £30k from reserves to further digitise DCA's services, and to upgrade IT equipment. Although this will result in an overall reduction in DCA's reserves, it is regarded as a necessary investment to ensure that DCA remains competitive and able to provide a full range of services cost effectively.

Looking ahead we anticipate that economic constraints and the cost-of-living crisis will have an impact on the availability of any new resources from our principal funders in 2023/24, and more particularly from 2024/25 onwards. We have therefore designated £100k within our reserves to ensure that service provision can be maintained in the event of a shortfall in income. We are taking steps to add resilience and contingency to strengthen our operational efficiency and will be seeking new income streams to broaden our funding mix.

### Investment policy and objectives

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

### Risk management

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

- A Business Continuity Plan incorporating an annual review of the risks that the charity may face.
- The establishment of systems and procedures to mitigate those risks.
- The implementation of procedures designed to minimise any potential impact on the charity should any of the risks materialise.

DCA's Business Continuity Plan was reviewed during the year, particularly regarding mitigation of the key risks arising from managing through the pandemic and subsequent development of remote working practices, IT and data use, and adoption of a Hybrid Working Policy for our staff.

These are also further considered as part of the reserves allocation policy (detailed earlier), which offsets the actual and contingent liabilities of the organisation against the combined value of all unrestricted funds.

This policy allows the charity to continue to operate on a reduced basis until alternative funding arrangements can be put in place.

The Senior Management Team and Trustees will continue to review our Business Continuity Plan on an annual basis and to remain responsive to any emerging factors in the course of our work throughout the year, which may present as a potential risk to our continuity of services.

# DURHAM COMMUNITY ACTION LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### Risk management (continued)

A table outlining our main risks and mitigating tools is provided below.

Nature of risk	Details	Mitigation
Loss of income	<ul style="list-style-type: none"> <li>Over-reliance on a small number of significant funders</li> </ul>	<ul style="list-style-type: none"> <li>Work to secure multi-year grant funding resources from a range of key funders e.g., National Lottery Community Fund to provide greater security and reduce dependency on short term income.</li> <li>Reduce reliance on any single funder by broadening and diversifying income streams e.g., through the development of income generating activities such as bespoke consultancy, training etc that build on the strengths of the staff team.</li> <li>Support the above objective by continuing to develop niche specialities within the staff team that enable DCA to respond to need, increase its reach and to fill gaps in service provision that open up, ensuring that services are cost effective &amp; relevant.</li> </ul>
	<ul style="list-style-type: none"> <li>Diminishing opportunities to fund infrastructure, policy, and support services for community organisations.</li> </ul>	<ul style="list-style-type: none"> <li>Continued close working with thematic partnerships (Volunteering and Advice) to address needs and develop improved collaboration in service provision (shared resources, co-locations, and shared intelligence).</li> </ul>
	<ul style="list-style-type: none"> <li>Public service priorities focused on crisis interventions and removed from preventative community initiatives / development.</li> </ul>	<ul style="list-style-type: none"> <li>Review and consolidate partnership working where possible to streamline and build capacity for shared resources with partner organisations/service providers.</li> </ul>
Large scale transfers of public sector services and contracts	<ul style="list-style-type: none"> <li>Lack of capacity and resources to bid for large contracts.</li> <li>Payment by result</li> <li>Bankrolling</li> <li>TUPE implications</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring formal, relevant, and bid ready consortia are in place with Memoranda of Understanding and partnership agreements.</li> <li>Spread the risk and share resources and liabilities with a balance of larger and smaller, niche organisations and partners.</li> <li>Ensure that Durham Community Action retains organisational scale and resources that are sufficient to deliver realistic levels of service, whilst also reacting responsively to opportunities.</li> </ul>
Business interruption	<ul style="list-style-type: none"> <li>Impact of pandemic e.g., Coronavirus</li> <li>Loss of use of office premises due to flood, fire, storm damage, terrorism, vandalism etc</li> <li>Loss of IT services</li> </ul>	<ul style="list-style-type: none"> <li>Business Continuity Plan updated with details of actions to be taken, and regularly tested.</li> <li>Health &amp; Safety Risk Assessments, and Staff provided with appropriate equipment to enable remote working.</li> <li>Use of IT systems e.g., video conferencing etc to maintain regular contact with clients, partners, and team members.</li> <li>Use of cloud services, and IT back-up systems and procedures to ensure that services can be quickly restored in the event of problems.</li> </ul>

# DURHAM COMMUNITY ACTION LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### Risk management (continued)

Nature of risk	Details	Mitigation
Loss of key Trustees, and loss of key staff and skills (in the face of reduced levels of funding, or because of illness / pandemic)	<ul style="list-style-type: none"><li>• Capacity for sustaining key relationships, and ability to work responsively.</li><li>• Resources to build intelligence and sustain the evidence base for influencing and shaping new work.</li><li>• Inability to fulfil key contractual obligations, resulting in possible reputational damage.</li><li>• Impact on strategic decision making and day to day activities</li></ul>	<ul style="list-style-type: none"><li>• Adopt smarter, less labour-intensive approaches to communications, information sharing and making resources available for beneficiaries.</li><li>• Ensure staff engagement and training programmes are in place, optimising specialist skills and experience within the delivery team, ensuring that experienced staff are available to fill gaps in the event of the loss of key personnel.</li><li>• Use of trusted contractors to fulfil tasks on a temporary basis if required.</li><li>• Enabling closer co-working and collaboration between the charity's staff and partner staff members, thereby adding value to resources, and consolidating working relationships.</li></ul>

### Plans for future periods

The charity will continue to adapt and respond in a manner that is designed to meet our primary objectives. Objectives are reviewed annually, based on shared intelligence with our colleagues and partners in the VCSE, and regarding an evolving face of public services, local government, and policy. A Stakeholder / Customer survey will be undertaken during the coming year, which will help to shape our work, ensuring that our priorities remain focused on needs and achieving positive impacts.

As set out in the Reserves Policy, the Trustees have considered the implications for a changing landscape of public services, especially for health care and the continuing evolution of systems for integrating health and social health care services. This is in the context of rebuilding civil society in the aftermath of Coronavirus, coupled with a continuing fall back in confidence, and a more protracted than anticipated recovery period.

Over the course of the last three years, Senior Management and Trustees have been working pro-actively in dialogue with funders and commissioners. We have been collaborating on a more robust system for informing commissioners where there are needs arising and working with the VCSE to target resources more effectively.

2021/2022 marked the second year of the three-year Grant Funding Deed. This enables us to work in partnership with the Clinical Commissioning Group (CCG) and Durham County Council, including Public Health, to develop a 'Connector Model' for commissioning. This is intended to enable a more collaborative and trust-based approach to funding the sector in County Durham.

The temporary office closure early in 2021/2022 resulted in cost savings on day to day running costs, and more recently DCA has been operating a hybrid policy that enables staff to split their time between home and office-based working.

Demand for the charity's services remained high throughout the year, reflecting the continued need to support community groups, volunteers, and volunteering infrastructure organisations to deal with and overcome the challenges posed by the Covid pandemic. DCA's Trustees are continuing to meet on a bi-monthly basis, to review budgets, cashflows and to act if required to continue within the parameters of the agreed budget.

DCA will also explore opportunities to secure additional funding that are a comfortable fit with the charity's remit and forward work plan.

### Structure, governance and management

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

The charity is registered with the Charity Commission. Membership is open to any individual or organisation that meets the criteria specified in the Memorandum and Articles of Association.



# **DURHAM COMMUNITY ACTION LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2022**

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The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Professor SJ Banks

Mrs LC Bird

Mrs P Buckley-Atkins

Mrs J Flynn MBE

Mrs A Hawkes

(Appointed 23 September 2021)

Mrs E Kilgannon MBE

(Appointed 23 September 2021)

Mr MJ Litchfield

Mr J Robinson

Professor JF F Robinson

(Appointed 23 September 2021)

Mrs CA Smith

Mrs JM Worters MBE

### **Recruitment and appointment of new Trustees**

The Trustees as charity trustees have control of the Charity and its property and funds, however there is no individual exercising significant control (PSC). All the Trustees are members of the company and guarantee to contribute £10 in the event of a winding up. There must be a minimum of five Trustees and a maximum of 20 Trustees.

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

In June 2021 we conducted an open recruitment process to attract new Trustees to our Board. Targeted advertising was undertaken via specialist websites including trustees-unlimited.co.uk, VONNE, and through our local networks. The process proved to be successful, and we were pleased to welcome three new Trustees bringing experience and insight from local community action, health and wellbeing, strategic management, and social research perspectives.

Our Trustees have continued to work with the Senior Management Team to review and refresh our policies and procedures, and to undertake a review of our Business Continuity Plan.

### **Induction and training of new Trustees**

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

### **Officers**

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

### **Organisation**

Currently membership of the Board of Trustees stands at 11. The Executive Committee meets bi-monthly, and on an ad hoc basis if the necessity arises. There is the facility to establish ad hoc task and finish sub-groups.

# DURHAM COMMUNITY ACTION LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### Key management remuneration

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

The Executive Director manages the charity with the support of a small Senior Management Team, comprising the Managers for Community Partnerships, Community Support, and Volunteering. Governance and finance support are provided by an external contractor, with a good working knowledge of the business. Details of the Key Management Personnel and their costs applicable during 2021-2022 are included in the accounts.

### Pay policy for senior staff

Salary scales for senior staff are determined by the Trustees, having due regard to remuneration for similar roles within the VCSE sector. No employee earned more than £60,000 during the year.

### Related parties

The charity's work programme is primarily determined by the needs of the communities that it serves.

Wherever possible, DCA aligns its work with prevailing national, and local policies and priorities. We achieve this by working closely with a range of partners, including ACRE, County Durham Partnership, Durham County Council, the Office of the Durham Police, Crime and Victims' Commissioner, and County Durham's Clinical Commissioning Group.

DCA also works responsively with our colleagues in the voluntary and community sector within County Durham, and in various community-based networks and partnerships. As a result, close working relationships are maintained with a range of other organisations, although none meet the related parties' criteria as defined in company law:

- During 2021/22 DCA maintained a Funding Agreement with Action for Communities in Rural England (ACRE) to provide intelligence and information for Defra about areas of policy, as it affects rural communities on a regional and county-wide basis, with respect to economic development, digital and broadband access, housing, transport, health and wellbeing, loneliness, and access to services.
- The charity maintains a strong relationship with Durham County Council and is recognised by the Council as the primary VCSE infrastructure support organisation for County Durham. This provides the council with a single conduit for public sector investment into VCSE support services. During the year DCA worked particularly closely with Public Health, both Adult and Children's Services, Environmental and the Transformation & Partnerships team at Durham County Council. The Office of County Durham's Commissioner for Police, Crime and Victims also contributed funds to support work with front line community groups and organisations.
- Physical and mental health and wellbeing was an important theme during 2021/22. Working with the CCG, and the Hospital Foundation Trusts, we developed a programme of work to support the VCSE with emerging needs through the period of lockdown and in planning ahead to reinforce VCSE engagement in new and emerging governance structures for primary and secondary care.
- We were represented on and supported a range of networks and partnerships including the County Durham Partnership Board, County Durham Economic Partnership, the Better Together VCSE Forum, and the Advice in County Durham Partnership.
- The Food Durham Partnership, and the Volunteer Co-ordinators Forum (comprising 270 organisations engaged in volunteering across the North East) were amongst the networks and organisations that we chaired or supported during the year.

# **DURHAM COMMUNITY ACTION LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2022***

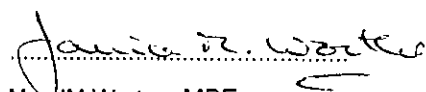
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### **Independent examiner**

The members appoint the Independent Examiner at the Annual General Meeting. A resolution recommending reappointment for 2022/23 will be proposed at the forthcoming Annual General Meeting.

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

The Trustees' report was approved by the Board of Trustees on 22 September 2022 and signed on its behalf by:



Mrs JM Worters MBE  
**Trustee**

# DURHAM COMMUNITY ACTION LIMITED

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF DURHAM COMMUNITY ACTION LIMITED

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I report to the trustees on my examination of the financial statements of Durham Community Action Limited (the charity) for the year ended 31 March 2022.

#### Responsibilities and basis of report

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

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

#### Independent examiner's statement

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

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

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

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



**Nick Cunningham FCCA**

**Robson Laidler Accountants Limited**

Fernwood House  
Fernwood Road  
Jesmond  
Newcastle Upon Tyne  
Tyne and Wear  
NE2 1TJ  
England

Dated: 26-9-2022

# DURHAM COMMUNITY ACTION LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 MARCH 2022**

### Current financial year

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
	Notes				
<b>Income from:</b>					
Charitable activities	3	-	858,931	858,931	777,440
Other trading activities	4	28,631	-	28,631	19,091
Investments		525	-	525	308
<b>Total income</b>		<u>29,156</u>	<u>858,931</u>	<u>888,087</u>	<u>796,839</u>
<b>Expenditure on:</b>					
Charitable activities	5	<u>97,160</u>	<u>570,368</u>	<u>667,528</u>	<u>654,581</u>
<b>Net (outgoing)/incoming resources before transfers</b>		(68,004)	288,563	220,559	142,258
Gross transfers between funds		<u>216,969</u>	<u>(216,969)</u>	<u>-</u>	<u>-</u>
<b>Net income for the year/ Net movement in funds</b>		148,965	71,594	220,559	142,258
Fund balances at 1 April 2021		<u>293,438</u>	<u>166,892</u>	<u>460,330</u>	<u>318,072</u>
<b>Fund balances at 31 March 2022</b>		<u><u>442,403</u></u>	<u><u>238,486</u></u>	<u><u>680,889</u></u>	<u><u>460,330</u></u>

# DURHAM COMMUNITY ACTION LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

Prior financial year

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes			
<b>Income from:</b>				
Charitable activities	3	52,585	724,855	777,440
Other trading activities	4	19,091	-	19,091
Investments		308	-	308
<b>Total income</b>		<u>71,984</u>	<u>724,855</u>	<u>796,839</u>
<b>Expenditure on:</b>				
Charitable activities	5	<u>29,296</u>	<u>625,285</u>	<u>654,581</u>
<b>Net (outgoing)/incoming resources before transfers</b>		<u>42,688</u>	<u>99,570</u>	<u>142,258</u>
<b>Net income for the year/ Net movement in funds</b>		<u>42,688</u>	<u>99,570</u>	<u>142,258</u>
Fund balances at 1 April 2020		<u>250,750</u>	<u>67,322</u>	<u>318,072</u>
<b>Fund balances at 31 March 2021</b>		<u><u>293,438</u></u>	<u><u>166,892</u></u>	<u><u>460,330</u></u>

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

# DURHAM COMMUNITY ACTION LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	10		4,435		5,989
<b>Current assets</b>					
Debtors	11	18,134		8,412	
Cash at bank and in hand		889,419		543,005	
		907,553		551,417	
<b>Creditors: amounts falling due within one year</b>	12	(231,099)		(97,076)	
Net current assets			676,454		454,341
<b>Total assets less current liabilities</b>			680,889		460,330
<b>Income funds</b>					
Restricted funds	13	238,486		166,892	
Unrestricted funds		442,403		293,438	
		680,889		460,330	

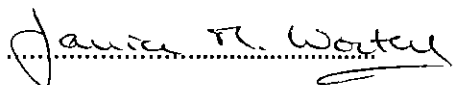
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2022.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 22 September 2022.



Mrs JM Worters MBE  
Trustee

Company Registration No. 00309329

# DURHAM COMMUNITY ACTION LIMITED

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	18		345,889		185,371
<b>Investing activities</b>					
Investment income received		525		308	
<b>Net cash generated from investing activities</b>			525		308
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			346,414		185,679
Cash and cash equivalents at beginning of year			543,005		357,326
<b>Cash and cash equivalents at end of year</b>			889,419		543,005



# DURHAM COMMUNITY ACTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

#### Charity information

Durham Community Action Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 8 St. Stephens Court, Low Willington, Crook, County Durham, DL15 0BF, England.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

Durham Community Action Limited meets the definition of a public benefit entity entry under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements have been prepared on a going concern basis. The Trustees have considered a period of 12 months from the balance sheet date and consider no further disclosures relating to the charity's ability to continue as a going concern need to be made.

#### 1.2 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

#### 1.3 Income

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income received by way of grants, donations and gifts is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant;
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance;
- Rental & other income are recognised on a receivable basis;
- Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

# DURHAM COMMUNITY ACTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### 1.4 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.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure includes VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Costs of generating funds comprise the costs associated with attracting voluntary income;
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### 1.5 Intangible fixed assets other than goodwill

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

CRM system assets	25% straight line
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#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	25% straight line
Fixtures and fittings	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Taxation

As a charity, the company is exempt from tax on income and gains to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

# DURHAM COMMUNITY ACTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

(Continued)

##### 1.10 Provisions

Provisions are recognised when the charity has a legal or constructive present obligation as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

##### 1.11 Debtors/creditors due within one year

Trade debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

#### 2 Critical accounting estimates and judgements

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

##### Critical accounting estimates and judgements

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

##### Critical areas of judgement

In categorising leases as finance leases or operating leases, the Trustees make judgements as to whether significant risk and rewards or ownership have transferred to the charity as lessee.

In recognising income from projects, the trustees make judgements as to whether the conditions of income have been met.

# DURHAM COMMUNITY ACTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 3 Charitable activities

	Support & Advisory 2022 £	Community Development 2022 £	Total 2022 £	Total 2021 £
Income from Charitable Activities	584,375	274,556	858,931	777,440
Analysis by fund				
Unrestricted funds	-	-	-	52,585
Restricted funds	584,375	274,556	858,931	724,855
<b>Income from Charitable Activities</b>				
ACRE	-	42,585	42,585	42,585
Durham County Council	308,069	-	308,069	170,000
Durham Police, Crime and Victims Commissioner	10,000	-	10,000	10,000
National Lottery Community Fund RC North East & Cumbria	-	56,219	56,219	98,049
Soil Association	18,000	-	18,000	4,000
County Durham CCG	79,970	-	79,970	88,236
MHLDF	116,000	-	116,000	106,000
County Durham Community Foundation	15,000	-	15,000	33,900
Ballinger Trust	-	8,585	8,585	-
Supporting Community Buildings	-	123,000	123,000	-
Other	37,336	44,167	81,503	224,670
	584,375	274,556	858,931	777,440

Other includes grants totalling £5,780 (2021: £11,494) from VONNE, £15,000 (2021: £Nil) from Communities CAN, £5,500 (2021: £Nil) from NAVCA, £Nil (2021: £57,500) from Stanley Town Council and £Nil (2021: £84,239) from Groundwork UK.

### 4 Other trading activities

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Consultancy	28,631	18,475
Training and other services	-	616
Other trading activities	28,631	19,091

# DURHAM COMMUNITY ACTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 5 Charitable activities

	Total 2022	Total 2021
	£	£
Staff costs	471,414	407,378
Consultancy	40,675	45,090
Meeting expenses	744	34
Stanley Town Council	-	57,500
Spennymoor Town Council	-	21,713
Grants to small communities	69,249	39,956
	<u>582,082</u>	<u>571,671</u>
Share of support costs (see note 6)	81,833	74,674
Share of governance costs (see note 6)	3,613	8,236
	<u>667,528</u>	<u>654,581</u>

### 6 Support costs

	Support costs £	Governance costs £	2022 Support costs £	Governance costs £	2021 £
Depreciation	1,554	-	1,554	7,167	7,167
Operating lease charges	27,126	-	27,126	27,109	27,109
Marketing and promotion	2,430	-	2,430	1,623	1,623
Cleaning and welfare	2,539	-	2,539	1,849	1,849
Electricity, gas and water	5,635	-	5,635	5,492	5,492
Repairs and renewals	2,846	-	2,846	2,332	2,332
Insurance	3,250	-	3,250	2,743	2,743
Staff travel and training	1,654	-	1,654	1,467	1,467
Printing, postage and telephone	7,523	-	7,523	5,918	5,918
Publications and subscriptions	7,700	-	7,700	7,000	7,000
Computer costs	19,519	-	19,519	11,601	11,601
Sundries	57	-	57	373	373
Independent examination	-	3,360	3,360	-	3,360
Legal and professional	-	253	253	-	4,876
	<u>81,833</u>	<u>3,613</u>	<u>85,446</u>	<u>74,674</u>	<u>82,910</u>
Analysed between Charitable activities	<u>81,833</u>	<u>3,613</u>	<u>85,446</u>	<u>74,674</u>	<u>82,910</u>

# DURHAM COMMUNITY ACTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

There were no Trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

### 8 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Executive director	1	1
Field workers	14	13
Administrator	1	1
Total	16	15

Employment costs	2022 £	2021 £
Wages and salaries	417,492	362,817
Social security costs	35,904	30,321
Other pension costs	18,018	14,240
	471,414	407,378

#### Key management remuneration

The key management of the charity comprise the Executive Director, Community Support Manager, Community Partnerships Manager and the Volunteering Development Manager. Total employee benefits of the key management personnel for the year were £139,736 (2021: £133,584).

There were no employees whose annual remuneration was more than £60,000.

### 9 Intangible fixed assets

	CRM system assets £
<b>Cost</b>	
At 1 April 2021 and 31 March 2022	18,000
<b>Amortisation and impairment</b>	
At 1 April 2021 and 31 March 2022	18,000
<b>Carrying amount</b>	
At 31 March 2022	-
At 31 March 2021	-

# DURHAM COMMUNITY ACTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 10 Tangible fixed assets

	Leasehold land and buildings £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 April 2021	9,539	52,955	62,494
At 31 March 2022	9,539	52,955	62,494
<b>Depreciation and impairment</b>			
At 1 April 2021	9,539	46,966	56,505
Depreciation charged in the year	-	1,554	1,554
At 31 March 2022	9,539	48,520	58,059
<b>Carrying amount</b>			
At 31 March 2022	-	4,435	4,435
At 31 March 2021	-	5,989	5,989

### 11 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Other debtors	734	1,106
Prepayments and accrued income	17,400	7,306
	18,134	8,412

### 12 Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals and deferred income	231,099	97,076

Included within accruals and deferred income is deferred income of £224,827 (2021: £63,952) relating to project income received in advance of entitlement.

# DURHAM COMMUNITY ACTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 13 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				
	Balance at 1 April 2021	Incoming resources	Resources expended	Transfers	Balance at 31 March 2022
	£	£	£	£	£
Community Hubs Project	35,951	97,386	(90,218)	(21,038)	22,081
Sustainable Food Places Phase 3	1,217	19,000	(2,217)	-	18,000
Sport England TIF Fund	646	-	(445)	-	201
MHLDF Right Care Right Place Support	106,000	116,000	(102,000)	-	120,000
Covid-19 Vaccination Centre	23,078	1,000	(1,166)	-	22,912
Supporting Community Buildings	-	123,000	(70,708)	-	52,292
County Durham Community Foundation	-	18,000	(15,000)	-	3,000
Ballinger Trust Community Grants	-	8,585	(8,585)	-	-
DCC - Volunteering and Infrastructure Support	-	304,000	(108,069)	(195,931)	-
VONNE - Safeguarding Training Fund	-	5,780	(5,780)	-	-
NAVCA VCS Emergencies Partnership	-	5,500	(5,500)	-	-
County Durham CCG - Outreach Fund	-	45,970	(45,970)	-	-
Durham PCVC Fund	-	10,000	(10,000)	-	-
DCC - Mutual Aid and VCS Emergency Support	-	37,069	(37,069)	-	-
Bloom Procurement - Horden Minewater Project	-	10,056	(10,056)	-	-
Communities CAN Housing Support Project	-	15,000	(15,000)	-	-
Defra - ACRE funding	-	42,585	(42,585)	-	-
	<u>166,892</u>	<u>858,931</u>	<u>(570,368)</u>	<u>(216,969)</u>	<u>238,486</u>

The transfers between funds reflect the cross-charging of staff costs.



# DURHAM COMMUNITY ACTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### 13 Restricted funds

(Continued)

#### Ballinger Trust Community Grants

Micro-grant initiative for groups based in Teesdale, Wear Valley and rural Derwentside, supported by The Ballinger Charitable Trust.

#### Bloom Procurement - Horden Minewater Project

This project is providing community development and engagement support for Durham County Council's Low Carbon Economy Team to develop a potential warm mine-water horticulture project in Horden.

#### CDCF Caseworker Support for South Stanley Partnership

Provision of dedicated support for the South Stanley Partnership Revive project to improve governance, systems, procedures to help the charity secure funding & attract volunteers.

#### CDCF Volunteer Support Fund - Kitemark

Development of an on-line Kitemark resource to help organisations overcome barriers to volunteering, and to recognise the value of recruiting and retaining volunteers.

#### Communities CAN Housing Support project

Promotion, co-ordination, and support for community led housing initiatives in the South of Tyne Area, in partnership with Communities CAN.

#### Community Hubs Project

3 year project to develop community hubs, funded by the National Lottery Community Fund RC North East and Cumbria Region.

#### County Durham CCG - Outreach Funding

Provision of funding to provide outreach support for people with serious mental impairment.

#### Covid-19 Vaccination Centre Volunteer Expenses

Administration of a fund to provide travel expenses to volunteers assisting at Covid-19 vaccination and lateral testing centres.

#### Defra - ACRE funding

Provision of strategic support to rural communities, sharing learning on sustainable funding models, and providing access to local intelligence.

#### Durham County Council Infrastructure

Grant funding agreement with Durham County Council for the provision of support services to the Voluntary & Community Sector across County Durham.

#### Durham County Council - Mutual Aid & VCS Emergency Support

This project is funded by Durham County Council. It is focused on the volunteer bank, and developmental support for mutual aid groups.

#### Durham Police, Crime & Victims Commissioner (PCVC) Fund

Provision of advice and signposting to organisations providing specialist support for people, including volunteering, mutual aid groups, link workers, and assistance with liaison meetings & on-line training.

#### MHLDF Right Care Right Place Community Resilience Support

Provision of funding to the VCSE to support the provision of services that address community mental health needs.

#### NAVCA VCS Emergencies Partnership

Provision of local intelligence and knowledge to NAVCA re volunteering during Covid-19.

#### Safeguarding Training Fund

Collaborative safeguarding training initiative delivered as a regional partnership across Durham, Northumberland, Tees Valley & Tyneside co-ordinated by VONNE.

# DURHAM COMMUNITY ACTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 13 Restricted funds

(Continued)

##### Sport England Gypsy Romany Travellers TIF Fund

Administration of a fund to provide sports / training equipment to support and promote the health and wellbeing of the Gypsy, Romany & Traveller community within County Durham.

##### Supporting Community Buildings

Grant initiative to enable Durham Community Action and East Durham Trust to practical advice, funding, and support to assist community buildings emerging from the impact of the Covid-19 pandemic.

##### Sustainable Food Places Phase 3 Good Food Movement

Pilot Soil Association funded initiative to develop an online 'Community Good Food Forum' that will engage the public to facilitate greater involvement in good food, new partnerships, information sharing and policy influencing.

#### 14 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:						
Tangible assets	4,435	-	4,435	5,989	-	5,989
Current assets/(liabilities)	437,968	238,486	676,454	287,449	166,892	454,341
	<u>442,403</u>	<u>238,486</u>	<u>680,889</u>	<u>293,438</u>	<u>166,892</u>	<u>460,330</u>

#### 15 Retirement Benefits

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

The assets of the scheme are held separately from those of the charity in an independently administered fund. The contributions payable by the charity expensed to income and expenditure amounted to £18,018 (2021: £14,240).

Contributions totalling £nil (2021: £nil) were payable to the fund at the year end.

#### 16 Related party transactions

Mr John Robinson was an elected member of Durham County Council when DCA's three-year grant funding deed was approved, however he was not involved in the decision to grant funding. There were no related party transactions for the year ended 31 March 2022 nor for the year ended 31 March 2021.

#### 17 Legal Status of the Charity

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

# DURHAM COMMUNITY ACTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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18	Cash generated from operations	2022 £	2021 £
	Surplus for the year	220,559	142,258
	Adjustments for:		
	Investment income recognised in statement of financial activities	(525)	(308)
	Depreciation and impairment of tangible fixed assets	1,554	7,167
	Movements in working capital:		
	(Increase) in debtors	(9,722)	(1,713)
	Increase in creditors	134,023	37,967
	<b>Cash generated from operations</b>	<u>345,889</u>	<u>185,371</u>