

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 2023

DURHAM COMMUNITY ACTION LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Professor SJ Banks Mrs LC Bird Mrs P Buckley-Atkins Mrs J Flynn MBE Mrs A Hawkes Mrs E Kilgannon MBE Mr MJ Litchfield Mr J Robinson Professor JFF Robinson Mrs CA Smith Mrs JM Worters MBE
Secretary	Mrs KJ 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

DURHAM COMMUNITY ACTION LIMITED

CONTENTS

	Page
Chairman'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

DURHAM COMMUNITY ACTION LIMITED

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

Chair's report

The end of this financial year falls as the Voluntary, Community and Social Enterprise (VCSE) sector continues to battle with inflationary and service demand pressures, but it is clear that the strong contribution by sector colleagues in supporting our communities with the needs they face is never more needed. The VCSE continues to enable community led action as trusted sources of practical and emotional support to their communities underpinning community resilience.

In response to this landscape, Durham Community Action has maintained our close collaborative work with colleagues in the sector, and across the Public Sector. We continued to keep in touch with the organisations and groups that played such a key role in sustaining community support networks during and in the immediate aftermath of the Covid pandemic. Building on lessons learned, 2022/23 was about supporting our communities to reopen, rebuild and to begin grasping new opportunities.

Colleagues in the VCSE (large and small organisations) are continuing to face many challenges adapting service provision to meet community needs within increasingly strained funding and rising delivery costs. Alongside this, even where funding and investment is secured, colleagues report continued difficulties with the recruitment and retention of staff.

The ongoing effects of Covid-19, poor health outcomes and financial pressures on communities, and on the VCSE's reach, their workforce, volunteering, and their growth / development did weaken capacity. The conflict in Ukraine and its direct impact on energy prices and the resultant cost of living crisis, dealt a further body blow to an already fragile sector.

In the light of all this, 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 continue to see 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 very evident and highly visible, and there seems little prospect of any improvement in the coming year.

Any one of the challenges which we are facing would be difficult to respond to with stretched 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 remains a very real concern.

Our work during the year has been 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 we responded to the cost-of-living crisis, and its impact on vulnerable individuals and communities.

Addressing this broad spectrum of issues, our work themes continued to prioritise:

- 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 remain consistent for us, year on year, are 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.

DURHAM COMMUNITY ACTION LIMITED

CHAIRMAN'S STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Chair's report (continued)

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 reshaping their income streams and activities.

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, North East & North Cumbria Integrated Care Board, the Office of the Durham Police & Crime Commissioner, County Durham Community Foundation, and all our other funders.

Our Trustees have continued to meet on a bi-monthly basis to review income and cash flow and ensure DCA remains a proactive well run organisation which is able to respond to the needs of our beneficiaries.

Financially, we are grateful that DCA can once again 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 2023 and details the arrangements that are in place to protect and develop resources.

2022/23 was a year that continued to challenge and stretch community resilience, with the cost-of-living crisis adding to the pressures that many already face in the aftermath of 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 adapt and respond to new and emerging needs as we go.

During the year, we were awarded the Volunteer Centre Quality Accreditation, a quality mark for organisations delivering volunteer centre functions. It provides assurance to volunteer centre stakeholders of the quality of our provision, and our success in being one of the first three organisations to receive the award is testament to the commitment and dedication of our Team.

As Chair, I would once again like to express my thanks and appreciation to our Staff and Trustees, who are without doubt Durham Community Action's most valuable assets. 2022 was a year of significant change, marked by the retirement of Jo Laverick as our Executive Director in September. Jo was a huge asset to DCA during 18 years of service; however, we are very fortunate that our work continues in the capable and experienced hands of Kate Burrows, who has stepped up to the Executive Director's role, having previously been DCA's Communities Manager.

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 DIRECTOR'S REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their annual report and financial statements for the year ended 31 March 2023.

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 (DCA) 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
Objectivity, honesty & integrity	Providing Expertise and Advice: We support community organisations to do their work effectively, by providing advice, training, resources, and help to tackle challenges, and to realise their aspirations.
Do the right thing	
Set high standards for the sector	
Encourage a can-do culture	Supporting new initiatives: 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.
Accountability and responsibility	
Professional pride	
Enabling leadership	Enabling good volunteering: 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.
Learning the lessons and sharing them	
Listening, reflecting	
Analysis and problem solving	Providing a voice: We apply our knowledge and expertise within the VCSE (Voluntary, Community & Social Enterprise Sector) 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.

DURHAM COMMUNITY ACTION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Objectives and activities

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.

Priorities	<ul style="list-style-type: none">• Keeping in touch with volunteer led community groups, and providing a range of information, updates & news, advice, and guidance.• Supporting groups with funding and training,• Providing opportunities for networking and training, plus on-going support for the wider VCSE.• Supporting community groups providing informal mental health support through the Cree network• Assisting local groups planning for community-led housing initiatives.
Achievements	<ul style="list-style-type: none">• 871 VCSE groups and organisations were supported with information, advice, and guidance.• 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 339 organisations and groups.• 809 people participated in themed workshops, including Meet the Funder, Community Buildings, Themed Meetings & Good Food Network• 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 2022 through a series of on-line activities and events.• We delivered the Community Hubs Development Programme, supporting a cohort of 68 community organisations through consultancy, case work and training for volunteer trustees, to put governance and business planning into place particularly focusing on energy efficiency measures. We also provided funding advice and access to small grants.• 39 organisations in the Cree network were supported, with developmental workshops and support to access grant aid.

DURHAM COMMUNITY ACTION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Objective 1 - Supporting Community Organisations (continued)

Public benefit	<ul style="list-style-type: none">• 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 built back up after Covid restrictions. We supported and advised community services about how they could manage the issues and problems which emerged for volunteer led groups, such as sustaining their volunteer base, and dealing with fuel costs and increasing demands on services.• Advice, guidance, and interventions helped to sustain community-based services delivered by volunteers, and community buildings managed by local people, helping them to establish, grow and develop the resources they need (staff, volunteers, and funding) to continue supporting their beneficiaries.• 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.• Knowledge, understanding and access to a changed funding climate were improved within the Voluntary, Community & Social Enterprise Sector.• 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. <p>Lessons learned and intelligence were shared and disseminated, to ensure a clear view of social infrastructure issues arising through cost-of-living pressures and 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.</p>
----------------	---

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).

Priorities	<ul style="list-style-type: none">• Sustaining our online County Durham Volunteering platform for recruiting volunteers and promoting opportunities.• Supporting networking with the Volunteer Co-ordinators Network membership.• Sustaining, developing and evaluating the Volunteer Bank for Covid vaccinations and immunisations approach; the development of closer relationships with Social Prescribing Link Workers and the Primary Care Networks (PCNs), so they are better connected to the Volunteer Bank to inform longer term opportunities for development.• Support and training for volunteer led groups, advice, funding and access to resources and training.• Supporting organisations with volunteers, with advice and training, particularly regarding safeguarding.• Collaboration with partners to support the on-going development of a scheme for Employee Supported Volunteering (ESV).• 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.
------------	--

DURHAM COMMUNITY ACTION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Achievements	<ul style="list-style-type: none">• We were one of the first three organisations nationally to be awarded the Volunteer Centre Quality Accreditation (VCQA); this is the quality mark for organisations delivering volunteer centre functions and the assurance to volunteer centre stakeholders of the quality of our provision (administered by NAVCA).• 681 people, new to volunteering, were supported via the Centre for Volunteering, with advice, information, and guidance.• We developed and expanded training and support sessions and provided good practice support for organisations that are run by, and support volunteers in: volunteer recruitment & management, volunteers and the law, safeguarding, and with new workshops on Disclosure and Barring, and Cyber Security.• 46 training sessions attracted 434 delegates from 149 organisations and groups, with 71 organisations attending more than one training session.• The Volunteer Co-ordinators Forum ended the year with a membership of 239 organisations that work with volunteers. We organised and hosted 4 meetings of the Forum on-line, attracting increased participation from the membership.• 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.• We sustained contact and support for spontaneous and emergency volunteering activity, and assisted Town and Parish Councils with support for development of Community Resilience Planning.
Public benefit	<ul style="list-style-type: none">• 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.• 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.• 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.• 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.

DURHAM COMMUNITY ACTION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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.

Priorities	<ul style="list-style-type: none">• Health and wellbeing - to sustain, and ensure that a social and community infrastructure is in place, and has access to resources which help it to thrive and re-build.• Consulting VCSE organisations and service providers to build stronger local connections with Primary Care Networks and supporting Social Prescribing models and new systems for access to health care.• Consulting, surveying, and analysis of intelligence gathered from the VCSE sector and disseminating it through partnerships.• Representing community and voluntary sector interests as a member of the County Durham Together Partnership, and as a member of the Board of the County Durham Partnership (CDP). 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.• 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.• 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.• Ensuring that Advice in County Durham (AiCD) 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.• Chairing and supporting the development of the Advice in County Durham multi-agency network as the 'go to' practitioner network for all advice agencies to come together and join up services. Network members provide advice and one to one casework support across County Durham.• Continued development of a shared approach to system and workforce development in order that front line staff and volunteers have access to the training and support they will be needing remained critical (plus the tools to provide support e.g., access to referral pathways and link workers, funding for initiatives, and for addressing needs highlighted by people in crises, triggered through health, financial or housing related issues).
------------	--

DURHAM COMMUNITY ACTION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Achievements	<ul style="list-style-type: none">• 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 VCSE perspective. These roles have helped to inform strategic agendas for partnership working in County Durham, and for emerging new models of commissioning services.• 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.• 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.• We represented VCSE interests in multi-sector Task Groups, tackling mental health, economic and community regeneration, funding and investment, and volunteering. We collaborated with partners from the local authority and NHS/ Public Health to co-ordinate communications, resources and reach into communities and responding to local needs.• Co-ordinating and managing information exchanges for the VCSE and health & social care providers about good practice particularly in rural areas, regarding social isolation, health, and wellbeing services.• Health and Wellbeing cross sector networking continues to increase in complexity and importance, with key changes in primary care, access to mental health services and the firming up of the 'wiring' of the ICS. Our focus has been on evolving changes in community based mental health support, access to and building strong social prescribing linkages with the VCSE (through the delivery of a Social Prescribing Link Workers Network), and providing representation for the VCSE into strategic governance models for the new health management systems and commissioning.• We have been working in partnership with colleagues at the Rural Design Centre to establish the architecture needed to enable Community Research Networks in rural County Durham. We have also been cross linking this with CDP and academic colleagues to assure alignment to the strategic goals of both the County Durham Health & Wellbeing Board, County Durham Inclusive Economic Strategy, and the strategic vision of both the County Durham Care Partnership and the regional Integrated Care Board. Through County Durham Together, the Better Together Forum and AiCD Partnerships we continue to build collaborative responses to key themes facing our communities, including responses to the Cost-of-Living crisis, opportunities for the delivery of the Household Support Fund, and supporting the Poverty & Health Alliance feasibility group.• The ongoing development of a clearer governance framework and strategic work plan for AiCD continues to support the strength and impact of this partnership.
--------------	---

DURHAM COMMUNITY ACTION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Public benefit	<ul style="list-style-type: none">• 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.• Collaborative coalitions are working to influence the design and delivery of public service contracts.• Front line VCS organisations are better informed and trained about the issues that affect them and the people they work with.• 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.• The VCSE in County Durham has a strong representational base that is influencing the ways in which public services are shaped.
----------------	--

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.

Achievements and performance

Financial review

The result for the financial year ended 31 March 2023 showed a deficit of £88,766, compared to a surplus of £220,559 in 2022. This was split between a £41,308 unrestricted surplus from the charity's core activities, and a deficit of £130,074 on its restricted activities.

The deficit on restricted funds relates to year-on-year differences in the timing between funds being received and expended on project activity. The surplus in our day-to-day activities was encouraging, especially when viewed in the context of the ongoing challenges in the aftermath of the Covid-19 pandemic that continued to impact our operations during 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 the prolonged periods of closure at the peak of the Covid pandemic. We ended the year with healthy reserves that 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 VCSE and public sector services.

DURHAM COMMUNITY ACTION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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, commissions and earned income. Sources of funding include:

- Charitable Trusts: County Durham Community Foundation
- Government: Defra
- Health: North East & North Cumbria Integrated Care Board (ICB)
- Local Authorities: Durham County Council, Office of the Durham Police & Crime Commissioner
- National Lottery Community Fund

Details of incoming resources for project-based activities are listed in Note 3 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 2023, the Charity's free reserves were £463,088 with an additional £108,412 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 built up thanks to the support of our funders during the Covid-19 pandemic. However, DCA hasn't been immune to the wider cost pressures within the economy, and we continue to look for savings through the careful management of running costs.

The calculation of our free reserves, and the amounts that have been allocated against each category are:

Description	Amount
Total reserves (comprising Restricted and Unrestricted Funds)	£592,123
Deduct Restricted Funds (which are ring fenced to support specific projects)	(£108,412)
Deduct fixed assets (which are necessary for the operation of the charity)	(£20,623)
Free reserves	£463,088
Free reserves are ring-fenced for the following:	
Six months' core costs and estimated redundancy costs	£243,692
To cover the projected shortfall in DCA's budget for the current year	£30,000
Designated investment to implement a rural catalyst project in County Durham	£27,000
Designated fund for future organisational development	£30,000
Designated fund for the provision of services in the next business planning cycle (2024-27)	£100,000
Contingency fund	£32,396
Total	£463,088

DURHAM COMMUNITY ACTION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

In accordance with DCA's Reserves Policy, our Trustees have addressed the following priorities when determining how our reserves should be designated:

- Six months core costs and estimated redundancy costs. This is the amount that we estimate would be needed to cover staff costs, redundancy costs, and essential running costs for up to 6 months in the event of the unplanned closure of DCA. This would allow time for an orderly wind down or transfer of activities to other providers, thereby offering some protection for beneficiaries, staff and volunteers.
- Budget shortfall – this is the amount required to cover the projected shortfall in DCA's budget for the current year, so that we can continue to maintain delivery of essential services,
- Designated investment of £27k during 2023/24 to implement a rural catalyst project in County Durham, in partnership with the Rural Design Centre (RDC), and the National Innovation Centre for Rural Enterprise (NICRE). One of the existing RDC Innovation and Design Associates will be assigned to work specifically with our team for 12 months as a one-off investment. This work can not be funded by other means, and is regarded as a necessary investment to support the exploration of in-depth rural community economic development in County Durham, providing evidence to influence better policy and support for rural businesses. Community engagement and a true place-based approach, aimed at building capacity within rural communities rather than delivering things to communities, is the only viable way to deliver on economic and social objectives for rural development. This means that engagement directly with rural groups (also providing ways to engage disenfranchised individuals outside the usual groups) is essential.
- The designated fund for future organisational development will allow DCA to ramp up investment in staff training and development, and allocate extra resources to improve IT facilities and, digitise services etc. over the next 12 – 18 months. Greater use of online training and development is attracting more participants, and freeing up valuable staff time for more specialised one to one interventions.
- There are growing pressures on all community support services, and DCA's support will be under additional and significant demand by the VCSE over the next 2-3 years. Designating funds for the provision of services in the next business planning cycle (2024-27) will provide a buffer through the anticipated contraction and difficulties, when we expect to see a reduction in income whilst maintaining expenditure to continue our current range of support services.
- The contingency fund provides a hedge against inflationary cost pressures and unforeseen costs.

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.

Key risks for the coming 2-3 years considered relevant to this report, together with mitigating actions that have already been taken, or which are planned for, are outlined in the table below.

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.

DURHAM COMMUNITY ACTION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Risk management (continued)

Nature of risk	Details	Mitigation
Loss of income	<ul style="list-style-type: none"> Over-reliance on a small number of significant funders 	<ul style="list-style-type: none"> Work to secure multi-year grant funding resources from a range of key funders e.g., National Lottery Communities Fund, to provide greater security and reduce dependency on short term income. 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. 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 & relevant.
	<ul style="list-style-type: none"> Diminishing opportunities to fund infrastructure, policy, and support services for community organisations. 	<ul style="list-style-type: none"> 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).
	<ul style="list-style-type: none"> Public service priorities focused on crisis interventions and removed from preventative community initiatives / development. 	<ul style="list-style-type: none"> Review and consolidate partnership working where possible to streamline and build capacity for shared resources with partner organisations/service providers.
Large scale transfers of public sector services and contracts	<ul style="list-style-type: none"> Lack of capacity and resources to bid for large contracts. Payment by results Bankrolling TUPE implications 	<ul style="list-style-type: none"> Ensuring formal, relevant, and bid ready consortia are in place with Memoranda of Understanding and partnership agreements. Spread the risk and share resources and liabilities with a balance of larger and smaller, niche organisations and partners. 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.
Business interruption	<ul style="list-style-type: none"> Impact of pandemic e.g., Covid-19 Loss of use of office premises due to flood, fire, storm damage, terrorism, vandalism etc Loss of IT services 	<ul style="list-style-type: none"> Business Continuity Plan updated with details of actions to be taken, and regularly tested. Health & Safety Risk Assessments, and Staff provided with appropriate equipment to enable remote working. Use of IT systems e.g., video conferencing etc to maintain regular contact with clients, partners, and team members. Use of cloud services, and IT back-up systems and procedures to ensure that services can be quickly restored in the event of problems.

DURHAM COMMUNITY ACTION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Risk management (continued)

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">Capacity for sustaining key relationships, and ability to work responsively.Resources to build intelligence and sustain the evidence base for influencing and shaping new work.Inability to fulfil key contractual obligations, resulting in possible reputational damage.Impact on strategic decision making and day to day activities	<ul style="list-style-type: none">Adopt smarter, less labour-intensive approaches to communications, information sharing and making resources available for beneficiaries.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.Use of trusted contractors to fulfil tasks on a temporary basis if required.Enabling closer co-working and collaboration between the charity's staff and partner staff members, thereby adding value to resources, and consolidating working relationships.
---	--	---

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 is currently being undertaken, 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 Covid-19, 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.

2022/2023 marked the second year of the three-year Grant Funding Deed. This enables us to work in partnership with the Integrated Care Board (ICB) and Durham County Council, including Public Health. The Grant Funding Deed (GFD) has been brought together by public sector commissioning partners as an investment into VCSE infrastructure support and development. This is intended to enable a more collaborative and trust-based approach to funding the sector in County Durham.

During 2022/2023, DCA continued to operate a hybrid policy that enabled staff to split their time between home and office-based working, providing greater operational flexibility and directly benefiting DCA through savings on office running costs.

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.

DURHAM COMMUNITY ACTION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2023**

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.

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
Mrs E Kilgannon MBE
Mr MJ Litchfield
Mr J Robinson
Professor JFF Robinson
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.

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

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; for example Trustees and Staff are currently collaborating on a review of DCA's policies and procedures.

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.

DURHAM COMMUNITY ACTION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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.

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 2022-2023 are included in the accounts.

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 Commissioner, and the North East & North Cumbria Integrated Care Board.

DCA also works responsively with our colleagues in the voluntary, community and social enterprise 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 2022/23 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 Police & Crime Commissioner also contributed funds to support work with front line community groups and organisations.
- Physical and mental health and wellbeing was an important theme during 2022/23. Working with the Integrated Care Board, and wider Integrated Care System (ICS) partners, we developed a programme of work 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 239 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 DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Independent Examiner

The members appoint the Independent Examiner at the Annual General Meeting. A resolution recommending reappointment for 2023/24 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.


Mrs JM Worters MBE

Trustee

Date: 21 September 2023

DURHAM COMMUNITY ACTION LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF DURHAM COMMUNITY ACTION LIMITED

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 2023.

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: 21-9-2023

DURHAM COMMUNITY ACTION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

Current financial year

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Income from:					
Charitable activities	3	-	815,791	815,791	858,931
Other trading activities	4	18,010	-	18,010	28,631
Investments		13,630	-	13,630	525
Total income		31,640	815,791	847,431	888,087
Expenditure on:					
Charitable activities	5	150,991	785,206	936,197	667,528
Net (outgoing)/incoming resources before transfers		(119,351)	30,585	(88,766)	220,559
Gross transfers between funds		160,659	(160,659)	-	-
Net income/(expenditure) for the year/ Net movement in funds		41,308	(130,074)	(88,766)	220,559
Fund balances at 1 April 2022		442,403	238,486	680,889	460,330
Fund balances at 31 March 2023		483,711	108,412	592,123	680,889

DURHAM COMMUNITY ACTION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

Prior financial year

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

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 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	11		20,623		4,435
Current assets					
Debtors	12	7,002		18,134	
Cash at bank and in hand		616,340		889,419	
		<u>623,342</u>		<u>907,553</u>	
Creditors: amounts falling due within one year	13	<u>(51,842)</u>		<u>(231,099)</u>	
Net current assets			571,500		676,454
Total assets less current liabilities			<u>592,123</u>		<u>680,889</u>
Income funds					
Restricted funds	14		108,412		238,486
Unrestricted funds			483,711		442,403
			<u>592,123</u>		<u>680,889</u>

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 2023.

The director acknowledges her 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 21 September 2023



Mrs JM Worters MBE
Trustee

Company Registration No. 00309329

DURHAM COMMUNITY ACTION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	19		(263,056)		345,889
Investing activities					
Purchase of tangible fixed assets		(23,653)		-	
Investment income received		13,630		525	
Net cash (used in)/generated from investing activities			(10,023)		525
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(273,079)		346,414
Cash and cash equivalents at beginning of year			889,419		543,005
Cash and cash equivalents at end of year			616,340		889,419

DURHAM COMMUNITY ACTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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 2023

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
-------------------	-------------------

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 2023

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 2023

3 Charitable activities

	Support & Advisory 2023 £	Community Development 2023 £	Total 2023 £	Total 2022 £
Income from Charitable Activities	521,756	294,035	815,791	858,931
Income from Charitable Activities				
ACRE	-	42,585	42,585	42,585
Durham County Council	338,304	120,000	458,304	308,069
Durham Police, Crime and Victims Commissioner	10,000	-	10,000	10,000
National Lottery Community Fund - RC North East and Cumbria Region	-	116,200	116,200	100,386
Soil Association	2,000	-	2,000	18,000
County Durham CCG	-	-	-	79,970
MHLDF	116,000	-	116,000	116,000
County Durham Community Foundation	35,000	6,750	41,750	15,000
Supporting Community Buildings	-	-	-	123,000
Other	20,452	8,500	28,952	37,336
	521,756	294,035	815,791	858,931

Other includes grants totalling £nil (2022: £5,780) from VONNE, £nil (2022: £15,000) from Communities CAN, £8,500(2022: £5,500) from NAVCA, £525 (2022: £nil) from Weardale Area Action Partnership, £15,000 (2022: £Nil) from North East & Cumbria Integrated Care Board and £4,927 (2022: £11,056) from sundry funders.

4 Other trading activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Consultancy	18,010	28,631

DURHAM COMMUNITY ACTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

5 Charitable activities

	Total 2023	Total 2022
	£	£
Staff costs	567,439	471,414
Consultancy	66,246	40,675
Meeting expenses	3,687	744
Grants to small communities	194,718	69,249
	<u>832,090</u>	<u>582,082</u>
Share of support costs (see note 6)	97,881	81,833
Share of governance costs (see note 6)	6,226	3,613
	<u>936,197</u>	<u>667,528</u>

6 Support costs

	Support costs £	Governance costs £	2023 Support costs £	Governance costs £	2022 £
Depreciation	7,465	-	7,465	1,554	1,554
Operating lease charges	27,126	-	27,126	27,126	27,126
Marketing and promotion	856	-	856	2,430	2,430
Cleaning and welfare	3,654	-	3,654	2,539	2,539
Electricity, gas and water	11,421	-	11,421	5,635	5,635
Repairs and renewals	443	-	443	2,846	2,846
Insurance	2,689	-	2,689	3,250	3,250
Staff travel and training	2,732	-	2,732	1,654	1,654
Printing, postage and telephone	9,083	-	9,083	7,523	7,523
Publications and subscriptions	8,044	-	8,044	7,700	7,700
Computer costs	24,308	-	24,308	19,519	19,519
Sundries	60	-	60	57	57
Independent examination	-	3,564	3,564	-	3,360
Legal and professional	-	2,662	2,662	-	253
	<u>97,881</u>	<u>6,226</u>	<u>104,107</u>	<u>81,833</u>	<u>85,446</u>
Analysed between					
Charitable activities	<u>97,881</u>	<u>6,226</u>	<u>104,107</u>	<u>81,833</u>	<u>85,446</u>

DURHAM COMMUNITY ACTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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 2023 nor for the year ended 31 March 2022.

8 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Executive director	1	1
Field workers	14	14
Administrator	1	1
Total	16	16

Employment costs	2023 £	2022 £
Wages and salaries	499,067	417,492
Social security costs	46,033	35,904
Other pension costs	22,339	18,018
	567,439	471,414

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 £185,624 (2022 : £139,736).

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

9 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

DURHAM COMMUNITY ACTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

10 Intangible fixed assets

	CRM system assets £
Cost	
At 1 April 2022 and 31 March 2023	18,000
Amortisation and impairment	
At 1 April 2022 and 31 March 2023	18,000
Carrying amount	
At 31 March 2023	-
At 31 March 2022	-

11 Tangible fixed assets

	Leasehold land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 April 2022	9,539	52,955	62,494
Additions	-	23,653	23,653
Disposals	-	(2,884)	(2,884)
At 31 March 2023	9,539	73,724	83,263
Depreciation and impairment			
At 1 April 2022	9,539	48,520	58,059
Depreciation charged in the year	-	6,951	6,951
Eliminated in respect of disposals	-	(2,370)	(2,370)
At 31 March 2023	9,539	53,101	62,640
Carrying amount			
At 31 March 2023	-	20,623	20,623
At 31 March 2022	-	4,435	4,435

12 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Other debtors	-	734
Prepayments and accrued income	7,002	17,400
	7,002	18,134

DURHAM COMMUNITY ACTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

13 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	193	-
Accruals and deferred income	51,649	231,099
	<u>51,842</u>	<u>231,099</u>

Included within accruals and deferred income is deferred income of £44,358 (2022: £224,827) relating to project income received in advance of entitlement.

14 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 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2023 £
CDCF Mental Health Emergency Welfare	-	5,000	(5,000)	-	-
CDCF Pathways to Accessible Volunteering	-	30,000	(30,000)	-	-
Community Buildings Energy Audit	-	120,000	(120,000)	-	-
Community Hubs Project	22,081	116,200	(138,281)	-	-
County Durham Community Foundation	3,000	6,750	(9,750)	-	-
Covid 19 Vaccination Centre	22,912	-	(22,000)	-	912
Crook hall Community Development Project	-	4,927	(4,927)	-	-
DCC - Volunteering and Infrastructure Support	-	338,304	(177,645)	(160,659)	-
Defra - ACRE Funding	-	42,585	(42,585)	-	-
Durham PCVC Fund	-	10,000	(10,000)	-	-
MHLDF Right Care Right Place Support	120,000	116,000	(136,000)	-	100,000
NAVCA VCS Emergencies Partnership	-	8,500	(8,500)	-	-
North East & Cumbria ICB	-	15,000	(7,500)	-	7,500
Sport England TIF Fund	201	-	(201)	-	-
Supporting Community Buildings	52,292	-	(52,292)	-	-
Sustainable Food Places Phase 3	18,000	2,000	(20,000)	-	-
Weardale Area Action Partnership	-	525	(525)	-	-
	<u>238,486</u>	<u>815,791</u>	<u>(785,206)</u>	<u>(160,659)</u>	<u>108,412</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 2023

14 Restricted funds

(Continued)

CDCF Mental health Emergency Welfare

Funding to advise and support 5 front-line organisations distributing emergency cash payments for people experiencing poor mental health and financial shock.

CDCF Pathways to Accessible Volunteering

Funding to research and map current opportunities for formal and informal neighbourhood volunteering across County Durham and accessibility into those opportunities.

Community Buildings Energy Audit

Funding to aid community organisations to carry out energy efficiency audits.

Community Hubs Project

National Lottery funded 3 year project to develop community hubs.

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.

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.

Crook Hall Community Development Project

Funding for the development of Crook Community Hall.

Durham County Council Volunteering and Infrastructure Structure

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

Defra - ACRE funding

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

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.

NE & NC ICB

Funding to support the development of a volunteering framework, a quality assurance method to ensure volunteering best practice with Mental Health Hubs.

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.

DURHAM COMMUNITY ACTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

14 Restricted funds

(Continued)

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.

Weardale Area Action Partnership

Provision of resilience training to prepare community volunteers to assist in local emergencies.

15 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:						
Tangible assets	20,623	-	20,623	4,435	-	4,435
Current assets/(liabilities)	463,088	108,412	571,500	437,968	238,486	676,454
	<u>483,711</u>	<u>108,412</u>	<u>592,123</u>	<u>442,403</u>	<u>238,486</u>	<u>680,889</u>

16 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 £22,339 (2022: £18,018).

Contributions totalling £nil (2022: £nil) were payable to the fund at the year end.

17 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 2023 nor for the year ended 31 March 2022.

18 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 2023

19 Cash generated from operations	2023 £	2022 £
(Deficit)/surplus for the year	(88,766)	220,559
Adjustments for:		
Investment income recognised in statement of financial activities	(13,630)	(525)
Loss on disposal of tangible fixed assets	514	-
Depreciation and impairment of tangible fixed assets	6,951	1,554
Movements in working capital:		
Decrease/(increase) in debtors	11,132	(9,722)
(Decrease)/increase in creditors	(179,257)	134,023
Cash (absorbed by)/generated from operations	(263,056)	345,889