

COMPANY REGISTRATION NUMBER 03753635

**2D (SUPPORT FOR THE VOLUNTARY AND COMMUNITY  
SECTOR OF TEESDALE AND WEAR VALLEY) LIMITED**

**COMPANY LIMITED BY GUARANTEE**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2009**

**Charity Number 1085048**

**ALLEN SYKES LTD**

Chartered Accountants & Registered Auditors

5 Henson Close

South Church Enterprise Park

Bishop Auckland

County Durham

DL14 6WA

**2D (SUPPORT FOR THE VOLUNTARY AND COMMUNITY SECTOR  
OF TEESDALE AND WEAR VALLEY) LIMITED  
COMPANY LIMITED BY GUARANTEE**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2009**

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**2D (SUPPORT FOR THE VOLUNTARY AND COMMUNITY SECTOR  
OF TEESDALE AND WEAR VALLEY) LIMITED  
COMPANY LIMITED BY GUARANTEE**

**MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS**

**Management Board**

Mr Ian Lyle (Chair)  
Mr James Lynn (Vice Chair)  
Mr Peter Irving (Treasurer)  
Mrs Mary Tribe  
Mr Stephen Raine  
Mr John Armstrong  
Mr Julian Haynes  
Mrs Julie Form  
Mr Jim Welch  
Mr David Wardle  
Mr Arnold Smith  
Mrs Olwyn Gunn  
Mr Kenneth Godard  
Mr Alan Wardle  
Mrs Jane Ascroft

**Senior Management Team**

Mrs Michele Armstrong (Chief Executive Officer)  
Mr Philip Davies (Development Officer)  
Mrs Lindsay Wright (Development Officer)

**Company Secretary**

Mrs Michele Armstrong

**Registered Office**

Unit 9 Crook Business Centre  
New Road  
Crook  
County Durham  
DL15 8QX

**Auditor**

Allen Sykes Ltd  
Chartered Accountants  
& Registered Auditors  
5 Henson Close  
South Church Enterprise Park  
Bishop Auckland  
County Durham  
DL14 6WA

**Bankers**

Unity Trust Bank Plc  
Nine Brindleyplace  
4 Oozells Square  
Birmingham  
B1 2HB

# **2D (SUPPORT FOR THE VOLUNTARY AND COMMUNITY SECTOR OF TEESDALE AND WEAR VALLEY) LIMITED COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES ANNUAL REPORT YEAR ENDED 31 MARCH 2009**

The Trustees, who are also Directors for the purposes of the Companies Act, have pleasure in presenting their report and the financial statements of the charity for the year ended 31 March 2009.

### **Structure, Governance and Management**

The charity is a private company limited by Guarantee, incorporated on 16 April 1999 and registered as a charity on 16 February 2001. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1 each.

The registered company number is 03753635

The registered charity number is 1085048

### **Members of the Management Board**

The Trustees who served the charity during the period were as follows:

Mr Ian Lyle (Chairman)	
Mr James Lynn (Vice Chair)	
Mr Peter Irving (Treasurer)	
Mr Stephen Raine	
Mr Jim Welch	
Mr Julian Haynes	
Mrs Mary Tribe	
Mrs Julie Form	
Mr John Armstrong	
Mr Kenneth Godard	(Appointed 2 <sup>nd</sup> October 2008)
Mr David Wardle	(Appointed 16 <sup>th</sup> April 2008)
Mr Arnold Smith	(Appointed 2 <sup>nd</sup> October 2008)
Mr Alan Wardle	(Appointed 30 <sup>th</sup> March 2009)
Mrs Olwyn Gunn	(Appointed 2 <sup>nd</sup> October 2008)
Mr Neville Singleton	(Retired 2 <sup>nd</sup> October 2008)
Mrs Brenda Singleton	(Retired 2 <sup>nd</sup> October 2008)
Miss Amy Waddell	(Retired 2 <sup>nd</sup> October 2008)
Mrs Dawn Fairlamb	(Retired 16 <sup>th</sup> January 2009)
Mrs Jane Ascroft	(Appointed 6 <sup>th</sup> May 2009)

### **Recruitment and Appointment of Management Board**

The Directors of the company are also Charity Trustees for the purposes of charity law and under the company's Articles are known as members of the Management Board. Under the requirements of the Memorandum and Articles of Association the members of the Management Board are elected to serve for a period of three years after which they must be re-elected at the next Annual General Meeting.

Peter Irving, Mary Tribe, Stephen Raine, Ian Lyle, Julian Haynes and John Armstrong retire by rotation and, being eligible, offer themselves for re-election.

Members of the 2D board are nominated by the membership of 2D. Nominations are sought prior to the Annual General Meeting. If nominations exceed the number of places on the board an election process is implemented. Once nominations have been sought if there are places left on the board then co-optees are sought, endeavouring to fill the skills gaps within the board that have been highlighted by a skills analysis. 2D is a membership organisation and thus the Board must be sought and approved by the membership.

# **2D (SUPPORT FOR THE VOLUNTARY AND COMMUNITY SECTOR OF TEESDALE AND WEAR VALLEY) LIMITED COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES ANNUAL REPORT YEAR ENDED 31 MARCH 2009**

All members of the Management Board give their time voluntarily and receive no benefit from 2D. Any expenses reclaimed from 2D are set out in note 10 to the accounts. The trustees in most cases are from member organisations, member organisations benefit from the services provided by 2D

### **Trustee Induction and Training**

Most Trustees are already familiar with the practical work of the charity having been nominated by a membership organisation. All new Trustees are given an induction session with the Chief Officer of 2D utilising the 2D Trustee induction pack. All Trustees are encouraged to take on relevant training and attendance at events and conferences. A Trustee away day is held at least annually.

### **Risk Management**

The Trustees have examined the major strategic business and operational risks which the charity faces and have heightened this process through the Key Result Areas Performance Management System which is continually developed as the reporting mechanism for the Board, enabling necessary steps to be taken to lessen the risks. In February of this year the Development Plan section of the Business Plan was reviewed by the whole board, following on from a Risk Analysis exercise.

### **Organisational Structure**

2D has a Management Board of up to 15 members who meet every 6 weeks and are responsible for the strategic direction and policy of the charity. At present the Board has 15 members from a variety of professional backgrounds relevant to the work of the charity. The Company Secretary attends the Board meetings but has no voting rights.

A scheme of delegation is in place and day to day responsibility for the provision of the services rests with the Chief Executive Officer and the two Development Officers with a full time Marketing Officer, full time Office Manager, two part time Development Support staff and a part time Administration Worker. The Chief Executive Officer is responsible for ensuring the financial performance of the charity and delivery of specified services, and develops the organisation within a difficult and demanding climate, ensuring that the key performance indicators are met, and also ensuring that the team continue to develop their skills and working practices in line with good practice.

The Development Officers have responsibility for the day to day delivery of 2D's services, and individual supervision of support staff, the Office Manager is responsible for all back office services, maintaining finance records and payroll administration.

### **Related Parties**

Trustees represent Local Authorities, businesses, community & voluntary organisations. All transactions with these bodies are on an arms length basis.

### **Objectives and Activities**

The company's objects and principal activities are:

- To promote any charitable purpose for the benefit of the community by associating together volunteers and organisations in a common effort to advance education, protect health and relieve poverty, sickness and distress.

## **2D (SUPPORT FOR THE VOLUNTARY AND COMMUNITY SECTOR OF TEESDALE AND WEAR VALLEY) LIMITED COMPANY LIMITED BY GUARANTEE**

### **TRUSTEES ANNUAL REPORT YEAR ENDED 31 MARCH 2009**

- To promote volunteering and community involvement, provide a focal point for this purpose and to advise and support people willing to volunteer.
- To advise and support voluntary and statutory organisations which involve and are willing to involve volunteers in their activities and assist in their initiation and development to enhance the services offered and available in the area of benefit.
- Promote and organise co-operation in the achievement of the above purposes and to that end bring together nominated representatives of the voluntary organisations and statutory authorities within the area of benefit, provided that in carrying out these purposes the company will seek to challenge all forms of oppression and inequality and to give priority to working with people whose full participation in society is limited by economic, political, and social disadvantage.

The strategic aim of 2D is to ensure support for the Voluntary and Community Sector, primarily Teesdale and Wear Valley areas.

The objectives within the business plan are split into

#### **External**

1. The delivery of CVS functions through development, support, liaison, representation, and strategic partnership work.
2. The delivery of volunteering infrastructure functions through brokerage, marketing, development, campaigning and good practice.
3. Ensure the voluntary and community sector of the Teesdale and Wear Valley areas, continue to receive support services appropriate to their needs.

#### **Internal**

1. Ensure quality governance, financial planning and management direction to the organisation.
2. Maintain financial sustainability by developing a range of services within the aims of the charity at the same time becoming less dependent on grants, by exploring other opportunities.

#### **How our activities deliver public benefit**

Our main activities and who we help are described below. All our charitable activities are undertaken to further our charitable purposes for the public benefit. The trustees have had regard to the Charity Commission's guidance on public benefit throughout the year when deciding on the activities of the charity.

#### **Who used and benefited from our services?**

2D offers its services free and access to services is equal to all. Voluntary and Community organisations and individuals wanting to volunteer are the main beneficiaries however statutory organisations have benefited from advice and support and understanding of local Voluntary and Community sector needs through 2D. Promoting and developing the local voluntary and community sector provides the general population with opportunities and a sense of community that it needs.

#### **Achievements and Performance**

##### **CVS**

The membership rose by 26 members and 223 agencies/organisations were directly supported or assisted.

##### **Agencies Assisted**

Wear Valley 149, Teesdale 58, Individuals 10, County 5, Other 1, Total 223

# 2D (SUPPORT FOR THE VOLUNTARY AND COMMUNITY SECTOR OF TEESDALE AND WEAR VALLEY) LIMITED COMPANY LIMITED BY GUARANTEE

## TRUSTEES ANNUAL REPORT YEAR ENDED 31 MARCH 2009

### Agency Split

Voluntary Groups	137
Community Groups	65
Statutory Agencies	11
Individuals	10

238 member organisations benefited from weekly member emails, agenda days, networking opportunities and support when needed.

### Volunteer Centre

2D dealt with 484 new applicants who were registered and supported as volunteers. 25 additional volunteer involving organisations were registered and 86 new volunteering opportunities identified.

As well as providing the Core functions of the CVS and Volunteer Centre, 2D was involved in a number of initiatives and other activities as listed below. The beneficiaries of 2D services benefit from 2D's involvement as some of the activities /projects ensure income for 2D ensuring its sustainability to continue to deliver services, as well as working in partnership to develop service delivery and work in targeted ways such as the Inclusive Volunteering project and the participation work.

- Accountable/responsible body for the Community Network Wear Valley
- Represented on and advisor to both Teesdale and Wear Valley Local Strategic Partnerships (LSP) and the supporting officers groups
- Developed and organised Community Conference on behalf of the Community Network and the Wear Valley LSP
- Developed and delivered the Inclusive Volunteering Project (Mental Health)
- Continued to support and enhance the work of the Teesdale and Wear Valley Children and Young People Participation worker
- Continued to employ and support Sure Start workers within all the Sure Start programmes operating in 2D's jurisdiction
- Active partner in the One Voice Network (OVN) with the Chief Executive Officer of 2D as the Chair of OVN
- Active member of the Co Durham CVS network/ Volunteer Centre network
- Held successful agenda days in both Teesdale and Wear Valley re: the new County Structures
- Tendered for and won a major contract on Engagement in the Super Output area wards in Wear Valley (Working Neighbourhoods Fund)
- Major promotional events including Volunteers Week and Make a Difference Day
- Active partner within NEVI (North East Volunteering Infrastructure) Development Officer, Lindsay Wright as Vice Chair and the NEVI rep to Volunteer Sport Strategy group
- The Development Officer Phil Davies is a member of 3 grant committees within County Durham Foundation and part of the National Lottery advisory/consultation group.
- The Chief Executive Officer was part of the Unitary Authorities working group on Area Action Partnerships
- Continued as Accountable body for Neighbourhood Renewal project, Learning with Sport
- A working partner through the Volunteer Centre functions within the Neighbourhood renewal Choices programme
- Continued to provide services through the administration team, such as conference facility and dissemination of information, and development and maintenance of databases
- Contracted through 'CFBT' to provide Information Advice and Guidance services.

# **2D (SUPPORT FOR THE VOLUNTARY AND COMMUNITY SECTOR OF TEESDALE AND WEAR VALLEY) LIMITED COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES ANNUAL REPORT YEAR ENDED 31 MARCH 2009**

The Management Board and staff have continued to develop the organisation; the 2D Annual General Meeting took place in October 2008, and gave Michele Armstrong, Chief Executive Officer, the chance to celebrate 10 years in post. The main event of the evening however was a presentation by children and young people aged between 8 and 16, who had been actively engaged in their communities. The work 2D does with children and young people was then recognised by Investing in Children who presented a certificate to commemorate this achievement.

Due to the unforeseen departure of the Operations Manager, the 2D Board continued to develop a model of working to fulfil all aspects of the work of 2D both now, and in the future.

### **Financial Review**

Against the backdrop of limited resources and insecurities over funding, it has continued to be difficult to plan or develop services. Nevertheless the charity, with the aid of sound financial management and the support of both its staff and volunteers generated a very positive financial outcome for the period with a net increase in unrestricted funds of just over £52,000.

### **Principal Funding Sources**

The principal funding sources for the charity were by way of grant income from Durham County Council, Wear Valley District Council, Teesdale District Council and Durham Dales PCT, as well as earned incomes via various contracts.

### **Investment Policy**

The charity holds no investments.

### **Grant Making Policy**

2D is not in itself a grant-making organisation; however Children and Young People Participation Project may require small grants to be distributed. Within the project a steering group exists to oversee the running of the project, the criteria for allocation of grants is approved within such steering groups and the administration procedures set. The marketing of the grants is within the remit of the Officers responsible.

### **Reserves Policy**

The level of unrestricted free reserves at 31 March 2009 was £232,079. 2D requires reserves (money not designated for any other purpose) in order to operate in the short term and to satisfy legal obligations in the event of funding ending, a major reduction in funding or a delay in further funding becoming available. Having reserves will enable proper notice to be given to the beneficiaries and staff, and for all legally due payments to be made to staff, volunteers and the organisations with which 2D does business in the event of closure.

The minimum level of reserves to be maintained is recommended as follows

- Staff redundancy payments based on current numbers of staff and length of service
- Staff sickness and related work cover
- Maternity/paternity/fostering leave
- An amount to cover the premature settlement of contractual arrangements with suppliers, outstanding accounts for payment and any pension obligations.

For the financial year 2008/09 the amount for these reserves has been set at 3-6 months operating costs (£100,000). Any reserves accrued in excess of this amount will be invested into the growth and development of 2D.

**2D (SUPPORT FOR THE VOLUNTARY AND COMMUNITY SECTOR  
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COMPANY LIMITED BY GUARANTEE**

**TRUSTEES ANNUAL REPORT  
YEAR ENDED 31 MARCH 2009**

**Plans for Future Periods**

There are still major changes going on in the Voluntary and Community sector, 2008/09 saw the development of a trustee working group of the Primary Infrastructure Organisations (PIO's) which consists of the six CVS's and Durham Rural Community Council. Stephen Raine represented 2D at this group which looked at how a more formal collaborative agreement could exist. 2009/10 will see the implementation of that agreement and continued negotiation and development with our partners in the Co Durham Partnership (the new Strategic Partnership for the County) with a view to future principle funding of Infrastructure Support services in the County.

New Structures now exist in Co Durham with the district councils no longer existing from 1<sup>st</sup> April 2009 and the new County Durham Council (the new Unitary Authority) operating across the whole of the County.

The advent of the Area Action Partnerships (AAP's), of which there are four in the 2D area, will bring new challenges in representing the local Voluntary and Community sector and ensuring that the AAP's deliver on the identified local priorities.

**TRUSTEES' RESPONSIBILITIES**

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the end of the year and of the incoming and outgoing resources for the year then ended.

In preparing those financial statements, the Trustees are required to select suitable accounting policies and then apply them consistently, making judgements and estimates that are reasonable and prudent. The Trustees must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 1985. The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with company law, as the company's directors, we certify that:

- So far as we are aware, there is no relevant audit information of which the company's auditors are unaware.
- As the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

**Auditor**

A resolution to re-appoint Allen Sykes Ltd as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

**2D (SUPPORT FOR THE VOLUNTARY AND COMMUNITY SECTOR  
OF TEESDALE AND WEAR VALLEY) LIMITED  
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES ANNUAL REPORT  
YEAR ENDED 31 MARCH 2009**

**SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Approved by the Management Board on 8<sup>th</sup> July 2009 and signed on its behalf by:

MR IAN LYLE  
Chairman

Registered Office:  
Unit 9 Crook Business Centre  
New Road  
Crook  
County Durham  
DL15 8QX

**2D (SUPPORT FOR THE VOLUNTARY AND COMMUNITY SECTOR  
OF TEESDALE AND WEAR VALLEY) LIMITED  
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF  
2D (SUPPORT FOR THE VOLUNTARY AND COMMUNITY SECTOR OF  
TEESDALE AND WEAR VALLEY) LIMITED**

**YEAR ENDED 31 MARCH 2009**

We have audited the financial statements of 2D (Support for the Voluntary and Community Sector of Teesdale and Wear Valley) Limited for the year ended 31 March 2009 on pages 11 to 22 which have been prepared under the historical cost convention and the accounting policies set out on pages 13 to 14.

This report is made solely to the charity's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND AUDITOR**

The responsibilities of the Trustees for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Responsibilities of the Trustees on page 7.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Trustees Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and other transactions is not disclosed.

We read the Trustees Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**BASIS OF AUDIT OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**2D (SUPPORT FOR THE VOLUNTARY AND COMMUNITY SECTOR  
OF TEESDALE AND WEAR VALLEY) LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF  
2D (SUPPORT FOR THE VOLUNTARY AND COMMUNITY SECTOR OF  
TEESDALE AND WEAR VALLEY) LIMITED *(continued)***

**YEAR ENDED 31 MARCH 2009**

**OPINION**

In our opinion:

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the charity's affairs as at 31 March 2009 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985;
- the information given in the Trustees' Annual Report is consistent with the financial statements

Allen Sykes Ltd  
Chartered Accountants  
& Registered Auditors  
5 Henson Close  
South Church Enterprise Park  
Bishop Auckland  
County Durham  
DL14 6WA

8<sup>th</sup> July 2009

**2D (SUPPORT FOR THE VOLUNTARY AND COMMUNITY SECTOR  
OF TEESDALE AND WEAR VALLEY) LIMITED  
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND  
EXPENDITURE ACCOUNT)**

**YEAR ENDED 31 MARCH 2009**

	Unrestricted Funds	Restricted Funds	Total Funds 2009	Total Funds 2008
Note	£	£	£	£
<b>INCOMING RESOURCES</b>				
Incoming resources from generating funds:				
Voluntary income	2	126,325	-	126,325
Activities for generating funds	3	13,887	-	13,887
Investment income	4	6,265	-	6,265
Incoming resources from charitable activities	5	-	733,698	733,698
<b>TOTAL INCOMING RESOURCES</b>		<u>146,477</u>	<u>733,698</u>	<u>880,175</u>
<b>RESOURCES EXPENDED</b>				
Costs of generating funds:				
Charitable activities	6	(159,128)	(661,967)	(821,095)
Governance costs	8	(6,785)	-	(6,785)
<b>TOTAL RESOURCES EXPENDED</b>		<u>(165,913)</u>	<u>(661,967)</u>	<u>(827,880)</u>
<b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>				
	11	(19,436)	71,731	52,295
Transfer between funds	12	71,963	(71,963)	-
<b>NET SURPLUS FOR THE YEAR</b>		<u>52,527</u>	<u>(232)</u>	<u>52,295</u>
<b>RECONCILIATION OF FUNDS</b>				
Total funds brought forward		183,266	21,091	204,357
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>235,793</u>	<u>20,859</u>	<u>256,652</u>

The company has no recognised gains or losses other than the results for the year as set out above.

All of the above amounts relate to continuing activities.

The notes on pages 13 to 22 form part of these financial statements.

**2D (SUPPORT FOR THE VOLUNTARY AND COMMUNITY SECTOR  
OF TEESDALE AND WEAR VALLEY) LIMITED  
COMPANY LIMITED BY GUARANTEE**

**BALANCE SHEET**

**31 MARCH 2009**

	Note	2009		2008	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	13		6,917		11,654
<b>CURRENT ASSETS</b>					
Debtors	14	87,795		72,487	
Cash at bank		218,038		182,271	
		<u>305,833</u>		<u>254,758</u>	
<b>CREDITORS: Amounts falling due within one year</b>	15	<u>(56,098)</u>		<u>(62,055)</u>	
<b>NET CURRENT ASSETS</b>			<b>249,735</b>		192,703
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u><b>256,652</b></u>		<u>204,357</u>
<b>NET ASSETS</b>			<u><b>256,652</b></u>		<u>204,357</u>
<b>FUNDS</b>					
Restricted income funds	19		20,859		21,091
Unrestricted income funds	20		235,793		183,266
<b>TOTAL FUNDS</b>			<u><b>256,652</b></u>		<u>204,357</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the members of the committee on the 8<sup>th</sup> July 2009 and are signed on their behalf by:

MR IAN LYLE (CHAIRMAN)

The notes on pages 13 to 22 form part of these financial statements.

**2D (SUPPORT FOR THE VOLUNTARY AND COMMUNITY SECTOR  
OF TEESDALE AND WEAR VALLEY) LIMITED  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2009**

**1. ACCOUNTING POLICIES**

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

**Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 and the Companies Act 1985.

**Cash flow statement**

The Trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small.

**Fund accounting**

Unrestricted general funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds earmarked by the Management Committee for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or grant making organisations.

**Donations and fundraising expenditure**

Donations represent amounts received and recorded during the year. No costs of fundraising have been netted off against donations.

Fundraising expenditure represents the direct costs of fundraising and includes the salaries and other direct costs of fundraising staff. Publicity costs directly related to fundraising are included in the fundraising costs.

**Fees, contributions and grants**

These comprise amounts receivable during the year.

**Investment income**

Investment income is recognised in the accounts when it is received.

**2D (SUPPORT FOR THE VOLUNTARY AND COMMUNITY SECTOR  
OF TEESDALE AND WEAR VALLEY) LIMITED  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2009**

**Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes VAT which cannot be 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 and the costs incurred for fundraising purposes.
- 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.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis such as time spent by staff on those activities.

**Fixed Assets**

All fixed assets are initially recorded at cost.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment            -            10% reducing balance/33% straight line

**Pension costs**

The charity operates a multi-employer pension plan which is funded by contributions from employees and the charity as employer. Contributions paid into the plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 the plan was operated as a defined contribution scheme. The assets of the scheme are held separately from those of the charity. In accordance with Financial Reporting Standard 17 the annual contributions payable are charged to the statement of financial activities (incorporating income and expenditure account).

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against net incoming resources on a straight line basis over the period of the lease.

**2D (SUPPORT FOR THE VOLUNTARY AND COMMUNITY SECTOR  
OF TEESDALE AND WEAR VALLEY) LIMITED  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2009**

**2. VOLUNTARY INCOME**

	<b>Unrestricted Funds</b>	<b>Total Funds 2009</b>	<b>Total Funds 2008</b>
	£	£	£
Donations	5	5	255
<b>Grants receivable</b>			
Durham County Council	16,320	16,320	16,000
Wear Valley District Council	89,000	89,000	9,000
Teesdale District Council	6,000	6,000	2,000
Durham PCT	15,000	15,000	50,000
	<u>126,325</u>	<u>126,325</u>	<u>77,255</u>

**3. INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS**

	<b>Unrestricted Funds</b>	<b>Total Funds 2009</b>	<b>Total Funds 2008</b>
	£	£	£
Use of company resources	8,547	8,547	3,642
Consultancy fees	5,340	5,340	7,735
	<u>13,887</u>	<u>13,887</u>	<u>11,377</u>

**4. INVESTMENT INCOME**

	<b>Unrestricted Funds</b>	<b>Total Funds 2009</b>	<b>Total Funds 2008</b>
	£	£	£
Interest receivable	6,265	6,265	10,295
	<u>6,265</u>	<u>6,265</u>	<u>10,295</u>

**5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	<b>Restricted Funds</b>	<b>Total Funds 2009</b>	<b>Total Funds 2008</b>
	£	£	£
CVS & Volunteer activities	115,268	115,268	122,508
Community development	242,196	242,196	413,884
Sure Start	376,234	376,234	336,481
	<u>733,698</u>	<u>733,698</u>	<u>872,873</u>

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**5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES** *(continued)*

	CVS & Volunteer Activities	Community Development	Sure Start	Total Funds 2009 £	Total Funds 2008 £
<b>Grants &amp; contracts</b>					
Durham County Council	-	85,905	-	85,905	88,398
Wear Valley District Council	89,572	144,669	-	234,241	310,298
The Northern Rock Foundation	-	-	-	-	60,107
Lloyds TSB	-	-	-	-	5,000
Bishop Auckland College (NRF)	22,717	-	-	22,717	22,780
Sure Start	-	-	376,234	376,234	336,481
County Durham Foundation	-	1,000	-	1,000	2,790
Chester le Street CVS – Change up	-	-	-	-	11,250
Durham Rural Community Council	2,000	-	-	2,000	-
Wear Valley LSP - Youth Forum	-	10,000	-	10,000	-
Other smaller grants	750	-	-	750	2,075
TCR Teesdale Play	-	-	-	-	12,000
Weardale Youth Panel	-	-	-	-	5,930
Teesdale Youth Panel	229	-	-	229	3,366
<b>Other income</b>					
WAHSP	-	622	-	622	12,398
	<u>115,268</u>	<u>242,196</u>	<u>376,234</u>	<u>733,698</u>	<u>872,873</u>

**6. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2009 £	Total Funds 2008 £
CVS & Volunteer activities	118,364	129,480	247,844	180,319
Community Development	-	187,548	187,548	382,239
Sure Start	-	342,834	342,834	306,774
Support costs	40,764	2,105	42,869	51,550
	<u>159,128</u>	<u>661,967</u>	<u>821,095</u>	<u>920,882</u>

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**7. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE**

	Activities undertaken directly £	Grant funding activities £	Support costs £	Total Funds 2009 £	Total Funds 2008 £
CVS & Volunteer activities	247,844	-	13,653	261,497	191,012
Community Development	151,283	36,265	10,331	197,879	404,905
Sure Start	342,834	-	18,885	361,719	324,965
	<u>741,961</u>	<u>36,265</u>	<u>42,869</u>	<u>821,095</u>	<u>920,882</u>

Grant funding activities consist of various small amounts awarded to community groups and other local organisations whose activities fall within the scope of 2D's charitable objectives. No single grant awarded exceeded £10,000 and therefore the individual amounts have not been disclosed.

**8. GOVERNANCE COSTS**

	Unrestricted Funds £	Total Funds 2009 £	Total Funds 2008 £
Audit fees	2,120	2,120	1,727
Volunteer expenses	3,946	3,946	1,848
Bank charges	719	719	804
	<u>6,785</u>	<u>6,785</u>	<u>4,379</u>

**9. ANALYSIS OF SUPPORT COSTS**

	Method of Allocation	CVS & Volunteer Activities £	Community Development	Sure Start £	Total 2009 £	Total 2008 £
Staff costs	<i>Usage</i>	12,004	9,084	16,605	37,693	43,890
Staff expenses	<i>Usage</i>	140	106	193	439	730
Depreciation	<i>Usage</i>	1,509	1,141	2,087	4,737	6,930
		<u>13,653</u>	<u>10,331</u>	<u>18,885</u>	<u>42,869</u>	<u>51,550</u>

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**10. STAFF COSTS AND EMOLUMENTS**

**Total staff costs were as follows:**

	<b>2009</b>	2008
	£	£
Wages and salaries	<b>541,084</b>	589,044
Social security costs	<b>35,666</b>	47,979
Other pension costs	<b>8,248</b>	10,714
	<u><b>584,998</b></u>	<u>647,737</u>

**Particulars of employees:**

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	<b>2009</b>	2008
	No	No
Number of staff	<b>30</b>	33
	<u><b>30</b></u>	<u>33</u>

No Trustees received any remuneration during the year. The charity paid Trustees expenses of £1,319 (2008 - £843) during the year. No employees received remuneration of over £60,000 in the year.

**11. NET INCOMING RESOURCES FOR THE YEAR**

This is stated after charging:

	<b>2009</b>	2008
	£	£
Staff pension contributions	<b>8,248</b>	10,714
Depreciation	<b>4,737</b>	6,930
Auditors' fees	<b>2,120</b>	1,727
Operating lease rentals:		
Land & buildings	<b>11,442</b>	10,727
Plant & machinery	<b>1,706</b>	2,188
	<u><b>1,706</b></u>	<u>2,188</u>

**12. FUND TRANSFERS**

Fund transfers relate to the following transfers from restricted funds:

The company retained £58,713 (2008 – £66,207) in accordance with service level agreements made with the grant providers to cover administration and management costs of the various programmes. Management costs are transferred to unrestricted reserves for the general purposes of the charity.

Marketing support costs totalling £11,000 (2008 - £Nil), transferred to unrestricted reserves based on time spent and costs incurred by CVS staff on marketing for projects funded by restricted funds.

WNF engagement fees of £2,250 transferred to unrestricted reserves for volunteer engagement referrals handled by 2D themselves, in accordance with the service level agreement.

Funding of £7,476 and £1,500 transferred from the Youth Participation programme to the Youth Forum and Teesdale Youth Panel respectively, also in restricted funds, in accordance with the Youth Panel funding agreement. The net effect on restricted funds for these transfers is £Nil.

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**13. TANGIBLE FIXED ASSETS**

	<b>Equipment £</b>
<b>COST</b>	
At 1 April 2008 & 31 March 2009	<u><u>44,705</u></u>
<b>DEPRECIATION</b>	
At 1 April 2008	33,051
Charge for the year	4,737
At 31 March 2009	<u><u>37,788</u></u>
<b>NET BOOK VALUE</b>	
At 31 March 2009	<u><u>6,917</u></u>
At 31 March 2008	<u><u>11,654</u></u>

**14. DEBTORS**

	<b>2009 £</b>	<b>2008 £</b>
Trade debtors	85,278	70,206
Prepayments	2,517	2,281
	<u><u>87,795</u></u>	<u><u>72,487</u></u>

**15. CREDITORS: Amounts falling due within one year**

	<b>2009 £</b>	<b>2008 £</b>
Trade creditors	691	-
Other creditors	55,407	62,055
	<u><u>56,098</u></u>	<u><u>62,055</u></u>

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**16. PENSIONS**

The charity participates in the Pension Trusts Growth Plan, a multi-employer pension plan. Contributions paid into the scheme up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Growth Plan or by the purchase of an annuity. Total contributions payable during the year amounted to £8,248 (2008 - £10,714). There was no outstanding liability at the end of the year.

The results and assumptions of the most recent valuation of the scheme are as follows:

Valuation date	30 September 2008
Valuation method	Projected unit credit
Value of assets	£742 million
Value of liabilities	£771 million
Funding level for accrued benefits	96 per cent
Investment return pre retirement per annum	6.6 per cent
Investment return post retirement per annum	
- Actives/Deferred	5.1 per cent
- Pensioners	5.6 per cent
Rate of price inflation	3.2 per cent

The next full actuarial valuation will be carried out as at 30 September 2011.

The charity has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2008. As of this date the estimated employer debt was £2,048. The actuary has advised that this figure is likely to have increased by approximately 51% to 31 March 2009.

**17. COMMITMENTS UNDER OPERATING LEASES**

At 31 March 2009 the charity had annual commitments under non-cancellable operating leases as set out below.

	2009		2008	
	Land and buildings £	Other items £	Land and buildings £	Other items £
<b>Operating leases which expire:</b>				
Within 1 year	8,967		8,967	-
Within 2 to 5 years	-	1,716	-	1,716
	<u>8,967</u>	<u>1,716</u>	<u>8,967</u>	<u>1,716</u>

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**18. DESIGNATED FUNDS**

	<b>Movement in resources:</b>			<b>Balance at</b>
	<b>Balance at</b>	<b>New</b>	<b>Utilised/ Released</b>	<b>31 March</b>
	<b>1 April 2008</b>	<b>designations</b>	<b>£</b>	<b>2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Durham County Council	-	16,320	(16,320)	-
Wear Valley District Council	-	89,000	(89,000)	-
Primary Care Trust	-	15,000	(15,000)	-
Teesdale District Council	-	6,000	(6,000)	-
	<u>-</u>	<u>126,320</u>	<u>(126,320)</u>	<u>-</u>

**Purposes of designated funds**

Durham County Council	This fund is used to provide the service level agreement for core funding for 2008/09.
Wear Valley District Council	This fund is used to provide core funding for 2008/09.
Primary Care Trust	This fund represents the income from a formal contract for core funding.
Teesdale District Council	This fund is used for core funding for 2008/09.

**19. RESTRICTED FUNDS**

	<b>Movement in resources:</b>				<b>Balance at 31</b>
	<b>Balance at</b>	<b>Incoming</b>	<b>Outgoing</b>	<b>Transfers</b>	<b>March 2009</b>
	<b>1 April 2008</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Wear Valley District Council	-	234,241	(203,767)	(30,474)	-
Durham County Council	-	85,905	(69,799)	(16,106)	-
Durham Primary Care Trust	-	750	(750)	-	-
County Durham Foundation	-	1,000	(1,000)	-	-
Sure Start	-	376,234	(342,835)	(33,399)	-
WAHSP	-	622	(565)	(57)	-
Bishop Auckland College	-	22,717	(22,314)	(403)	-
Youth Forum Wear Valley LSP	-	10,000	(7,663)	6,976	9,313
Durham Rural Community Council	-	2,000	(2,000)	-	-
TCR – Teesdale Play	7,342	-	(7,342)	-	-
Weardale Youth Panel	5,075	-	(400)	-	4,675
Teesdale Youth Panel	3,366	229	(1,427)	1,500	3,668
Restricted office equipment	5,308	-	(2,105)	-	3,203
	<u>21,091</u>	<u>733,698</u>	<u>(661,967)</u>	<u>(71,963)</u>	<u>20,859</u>

Capital equipment purchased by a restricted fund is transferred to a “restricted office equipment fund” and depreciated in accordance with the company’s depreciation policy.

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**Purposes of restricted funds**

Wear Valley District Council	Funding for the Wear Valley Community Network, Learning with Sport and the Working Neighbourhoods Fund supporting Employability Agenda
Durham County Council	Funding towards Youth Participation
Durham Primary Care Trust	Funding for Volunteer Celebration Event
County Durham Foundation	To promote community grass-roots grants
Sure Start	This fund is used to employ Sure Start workers
WAHSP	To fund a project worker for Wheatbottom and Helmington Row sustainable project
Bishop Auckland College (WNF)	To deliver targeted recruitment of Volunteers in deprived areas
Youth Forum Wear Valley LSP	Funding for the Wear Valley Youth Forum
Durham Rural Community Council	Funding for agenda/information days in both Teesdale & Wear Valley
TCR - Teesdale Play	Support to Volunteers working with children and young people
Weardale Youth Panel	Funds managed on behalf of Panel
Teesdale Youth Panel	Funds managed on behalf of Panel
Restrict office equipment	Fixtures and equipment purchased by the charity with restricted grants and used to meet the charitable objectives

**20. UNRESTRICTED FUNDS**

	<b>Year to 31 Mar 09</b>	Year to 31 Mar 08
	£	£
Balance brought forward	<b>183,266</b>	131,745
Net income for the year	<b>52,527</b>	51,521
Balance carried forward	<b><u>235,793</u></b>	<u>183,266</u>

**21. ANALYSIS OF NET ASSETS (between restricted and unrestricted funds)**

	<b>Tangible fixed assets</b>	<b>Other net assets</b>	<b>Total</b>
	£	£	£
Restricted office equipment	<b>3,203</b>	-	<b>3,203</b>
Youth Forum Wear Valley LSP	-	<b>9,313</b>	<b>9,313</b>
Weardale Youth Panel	-	<b>4,675</b>	<b>4,675</b>
Teesdale Youth Panel	-	<b>3,668</b>	<b>3,668</b>
	<b><u>3,203</u></b>	<b><u>17,656</u></b>	<b><u>20,859</u></b>
Unrestricted funds	<b>3,714</b>	<b>232,079</b>	<b>235,793</b>
	<b><u>6,917</u></b>	<b><u>249,735</u></b>	<b><u>256,652</u></b>

**22. COMPANY LIMITED BY GUARANTEE**

The company is a private company limited by guarantee, there being no issued share capital. As such the company is not under the control of one individual, but by the board as a whole. The members of the company each guarantee to contribute £1 in the event of a winding up. The Directors are appointed by the members.