

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 2008**

**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 2008**

<b>CONTENTS</b>	<b>PAGES</b>
Members of the Board and Professional Advisers	<b>1</b>
Trustees Annual Report	<b>2 to 8</b>
Independent Auditor's Report	<b>9 to 10</b>
Statement of Financial Activities	<b>11</b>
Balance Sheet	<b>12</b>
Notes to the Financial Statements	<b>13 to 24</b>

**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 Steven Raine  
Mr John Armstrong  
Mr Julian Haynes  
Mrs Julie Form  
Mrs Brenda Singleton  
Mr Neville Singleton  
Mrs Dawn Fairlamb  
Mr Jim Welch  
Miss Amy Waddell  
Mr David Wardle

**Senior Management Team**

Mrs Michele Armstrong (Chief Executive Officer)  
Mr Darren Pearce (Operations Manager)

**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 2008**

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 2008.

### **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 David Craggs (Vice Chair)	(Resigned 20 <sup>th</sup> February 2008)
Mr Peter Irving (Treasurer)	
Mr Steven Raine	
Ms Margaret Hall	(Retired 18 <sup>th</sup> October 2007)
Ms Rachel Tweddle	(Retired 18 <sup>th</sup> October 2007)
Mrs Brenda Singleton	
Mrs Julie Form	
Mr Neville Singleton	
Mr Julian Haynes	
Mrs Mary Tribe	
Mr John Armstrong	
Ms Jackie Donnelly	(Resigned 15 <sup>th</sup> May 2007)
Mr Peter Sung	(Resigned 1 <sup>st</sup> July 2007)
Mrs Dawn Fairlamb	(Appointed 1 <sup>st</sup> February 2008)
Miss Amy Waddell	(Appointed 18 <sup>th</sup> October 2007)
Mr Jim Welch	(Appointed 18 <sup>th</sup> October 2007)

### **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.

Mrs Julie Form and Mr James Lynn 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

# **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 2008**

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.

### **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 2007/08 the Board worked on a fit for purpose restructure of the organisation, and the development of Cash Flow Analysis.

### **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 14 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 Operations Manager, with two full time Development Workers a full time Marketing Officer, a part time Development Support Worker and one and half times Administration Workers. 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. The Operations Manager has responsibility for the day to day operational management of 2D, individual supervision of the staff team and also ensuring that the team continue to develop their skills and working practices in line with good practice.

### **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.

To promote volunteering and community involvement, provide a focal point for this purpose and to advise and support people willing to volunteer.

# **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 2008**

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 Teesdale and Wear Valley districts and the surrounding area.

### **Achievements and Performance**

During the year the delivery of CVS and Volunteer Centre Core functions across Teesdale and Wear Valley have been maintained. 2D dealt with 386 new applicants who were registered and supported as volunteers. 26 additional volunteer involving organisations were registered and 56 new volunteering opportunities identified. The membership rose by 26 members and 202 agencies/organisations were directly supported or assisted.

As well as providing the Core functions of the CVS and Volunteer Centre, 2D was involved in a number of initiatives.

- Accountable/responsible body for the Community Network Wear Valley
- Represented on and advisor to both Teesdale and Wear Valley LSP's and the supporting officers groups
- Developed and organised Community Conference on behalf of the Community Network and the Wear Valley LSP
- Instigated fit for purpose review of the Teesdale Community Network
- Continued to support and enhance the work of the Teesdale and Wear Valley Children and Young People Participation workers
- 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 with the Chief Executive Officer of 2D taking the Chair of OVN
- Active member of the Co Durham CVS network
- Major promotional events including Volunteers Week and Make a Difference Day
- Active partner within NEVI (North East Volunteering Infrastructure)
- The Chief Executive Officer continued to be seconded part time to the Co Durham Local Area Agreement Project Team for her expertise in the voluntary and community sector.
- Continued as Accountable body for Neighbourhood Renewal projects, Learning with Sport and Financial Capacity Development
- 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.
- Successfully reviewed for the Investors in People award
- Achieved the matrix quality standard for information advice and guidance services
- The Chief Executive Officer was also involved in working groups around the setting up of the new Unitary authority

The Management Board and staff have continued to develop the organisation; the 2D AGM took place in October 2007, with a lively guest speaker from the Charity Commission, explaining the responsibilities of trustees. In addition the membership agreed that 2D's area of benefit be changed to, *"The objects of 2D (Support for the Voluntary and Community Sector of Teesdale and Wear Valley) are to promote any charitable purpose for the benefit of the community in the administrative areas of Teesdale and Wear Valley and the surrounding area (hereinafter called the area of benefit) by*

# **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 2008**

*associating together volunteers and organisations in a common effort to advance education, protect health, relieve poverty, sickness and distress," as per prior consent of the Charity Commission under section 64 of the Charities Act 1993.*

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 and one which would help to generate additional income through clearly separating the more strategic and development functions of the organisation, with the more day to day management of service delivery and staffing issues.

The new model was defined, worked up, and put out for consultation with the staff group by July 2007; as a result, the post of Operations Manager was created and filled in October 2007. The full reorganisation was put into place in January 08, with a three month training period identified. The continuation of the Wear Valley Community network has helped 2D to achieve its key objectives. The Teesdale Community network still was not in a position to attract funding. The Continuation of the Children and Young Peoples Participation Projects in Wear Valley and Teesdale continued to enable 2D to reach groups and young people that previously we had not come into contact with. The Teesdale project has also helped to maintain 2D's profile in Teesdale. Development of University/College Students, School Placements and 2D specific Volunteers has continued. The NRF projects Financial Capacity Development and Learning with Sport both helped to develop the capacity of groups and organisations in delivering services. The Community Sports Club Development Project was given National recognition and will be mainstreamed by Wear Valley District Council in 2008/09.

### **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 £51,000.

### **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, Durham Dales PCT, and Northern Rock Foundation.

### **Investment Policy**

The charity holds no investments.

### **Grant Making Policy**

2D is not in itself a grant-making organisation, however projects such as Children and Young People Participation and the Wear Valley Community Network may require small grants to be distributed. Within such projects 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.

## **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 2008**

#### **Reserves Policy**

The level of unrestricted free reserves at 31 March 2008 was £176,920. 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 2007/08 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.

#### **Plans for Future Periods**

There are still major changes going on in the Voluntary and Community sector not least of which is the need to achieve sustainable funding sources in the future. Pressure is mounting on all Infrastructure support organisations to be more cost effective and to deliver better quality services at a level which supports all voluntary and community groups.

As part of One Voice Network 2D has been involved in a piece of work to give infrastructure organisations in County Durham a transitional year, within this year the sector needs to position itself to not only work within the new unitary authority but to also act on the research conducted by Sheffield Hallam University 'A SHAPE OF THINGS TO COME'

The 2D Board have developed the Business plan for 2008-2011 with two things in mind the delivery of the Core functions and the need to look at how those services will be delivered in the future.

*The strategic aim:*

*2D will ensure support for the Voluntary and Community Sector, primarily Teesdale and Wear Valley*

*Objectives 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 Teesdale and Wear Valley (the current geographical boundaries); continue to receive support services appropriate to their needs.*

**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 2008**

*Objectives Internal*

4. *Provide governance, financial planning and management direction to the organisation.*
5. *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.*

**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 2008**

**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 25<sup>th</sup> June 2008 and signed on its behalf by:

MRS MICHELE ARMSTONG  
Company Secretary

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 2008**

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 2008 on pages 11 to 24 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 to 8.

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 2008**

**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 2008 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

27<sup>th</sup> June 2008

**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 2008**

	Unrestricted Funds	Restricted Funds	Total Funds 2008	Total Funds 2007
Note	£	£	£	£
<b>INCOMING RESOURCES</b>				
Incoming resources from generating funds:				
Voluntary income	2	77,255	–	77,255
Activities for generating funds	3	11,377	–	11,377
Investment income	4	10,295	–	10,295
Incoming resources from charitable activities	5	–	872,873	872,873
<b>TOTAL INCOMING RESOURCES</b>		<u>98,927</u>	<u>872,873</u>	<u>971,800</u>
<b>RESOURCES EXPENDED</b>				
Costs of generating funds:				
Charitable activities	6	(109,234)	(811,648)	(920,882)
Governance costs	8	(4,379)	–	(4,379)
<b>TOTAL RESOURCES EXPENDED</b>		<u>(113,613)</u>	<u>(811,648)</u>	<u>(925,261)</u>
<b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>				
	11	(14,686)	61,225	46,539
Transfer between funds	12	66,207	(66,207)	–
<b>NET SURPLUS FOR THE YEAR</b>		<u>51,521</u>	<u>(4,982)</u>	<u>46,539</u>
<b>RECONCILIATION OF FUNDS</b>				
Total funds brought forward		131,745	26,073	157,818
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>183,266</u>	<u>21,091</u>	<u>204,357</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 24 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 2008**

		2008		2007	
	Note	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	13		11,654		18,584
<b>CURRENT ASSETS</b>					
Debtors	14	72,487		82,597	
Cash at bank		182,271		156,439	
		<u>254,758</u>		<u>239,036</u>	
<b>CREDITORS: Amounts falling due within one year</b>	15	<u>(62,055)</u>		<u>(99,802)</u>	
<b>NET CURRENT ASSETS</b>			<b>192,703</b>		139,234
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u><b>204,357</b></u>		<u>157,818</u>
<b>NET ASSETS</b>			<u><b>204,357</b></u>		<u>157,818</u>
<b>FUNDS</b>					
Restricted income funds	19		21,091		26,073
Unrestricted income funds	20		183,266		131,745
<b>TOTAL FUNDS</b>			<u><b>204,357</b></u>		<u>157,818</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 25<sup>th</sup> June 2008 and are signed on their behalf by:

MR IAN LYLE (CHAIRMAN)

The notes on pages 13 to 24 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 2008**

**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 2008**

**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 2008**

**2. VOLUNTARY INCOME**

	<b>Unrestricted Funds</b>	<b>Total Funds 2008</b>	Total Funds 2007
	£	£	£
Donations	255	255	5
<b>Grants receivable</b>			
Durham County Council	16,000	16,000	21,000
Wear Valley District Council	9,000	9,000	9,000
Teesdale District Council	2,000	2,000	2,000
Dales PCT	50,000	50,000	12,500
	<u>77,255</u>	<u>77,255</u>	<u>44,505</u>

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

	<b>Unrestricted Funds</b>	<b>Total Funds 2008</b>	Total Funds 2007
	£	£	£
Use of company resources	3,642	3,642	3,939
Consultancy fees	7,735	7,735	-
	<u>11,377</u>	<u>11,377</u>	<u>3,939</u>

**4. INVESTMENT INCOME**

	<b>Unrestricted Funds</b>	<b>Total Funds 2008</b>	Total Funds 2007
	£	£	£
Interest receivable	10,295	10,295	5,437
	<u>10,295</u>	<u>10,295</u>	<u>5,437</u>

**5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	<b>Restricted Funds</b>	<b>Total Funds 2008</b>	Total Funds 2007
	£	£	£
CVS & Volunteer activities	122,508	122,508	96,624
Community development	413,884	413,884	392,028
Sure Start	336,481	336,481	258,807
	<u>872,873</u>	<u>872,873</u>	<u>747,459</u>

**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 2008**

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

	CVS & Volunteer Activities	Community Development	Sure Start	Total Funds 2008 £	Total Funds 2007 £
<b>Grants &amp; contracts</b>					
Durham County Council	-	88,398	-	88,398	172,513
Wear Valley District Council	-	310,298	-	310,298	144,477
Teesdale District Council	-	-	-	-	10,000
The Northern Rock Foundation	60,107	-	-	60,107	57,444
Bishop Auckland College (NRF)	22,780	-	-	22,780	12,420
Sure Start	-	-	336,481	336,481	258,807
County Durham Foundation	-	2,790	-	2,790	51,819
Chester le Street CVS – Change up	11,250	-	-	11,250	14,760
Other smaller grants	2,075	-	-	2,075	12,450
Lloyds TSB	5,000	-	-	5,000	-
Weardale Youth Panel	5,930	-	-	5,930	-
Teesdale Youth Panel	3,366	-	-	3,366	-
TCR Teesdale Play	12,000	-	-	12,000	-
<b>Other income</b>					
WAHSP	-	12,398	-	12,398	12,769
	<u>122,508</u>	<u>413,884</u>	<u>336,481</u>	<u>872,873</u>	<u>747,459</u>

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

	Unrestricted Funds £	Restricted Funds £	Total Funds 2008 £	Total Funds 2007 £
CVS & Volunteer activities	61,686	118,633	180,319	168,234
Community Development	-	382,239	382,239	383,761
Sure Start	-	306,774	306,774	236,331
Support costs	47,548	4,002	51,550	35,475
	<u>109,234</u>	<u>811,648</u>	<u>920,882</u>	<u>823,801</u>

**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 2008**

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

	<b>Activities undertaken directly £</b>	<b>Grant funding activities £</b>	<b>Support costs £</b>	<b>Total Funds 2008 £</b>	<b>Total Funds 2007 £</b>
CVS & Volunteer activities	180,319	-	10,693	191,012	176,535
Community Development	324,000	58,239	22,666	404,905	395,953
Sure Start	306,774	-	18,191	324,965	251,313
	<u>811,093</u>	<u>58,239</u>	<u>51,550</u>	<u>920,882</u>	<u>823,801</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**

	<b>Unrestricted Funds £</b>	<b>Total Funds 2008 £</b>	<b>Total Funds 2007 £</b>
Audit fees	1,727	1,727	2,035
Volunteer expenses	1,848	1,848	1,993
Bank charges	804	804	396
	<u>4,379</u>	<u>4,379</u>	<u>4,424</u>

**9. ANALYSIS OF SUPPORT COSTS**

	<b>Method of Allocation</b>	<b>CVS &amp; Volunteer Activities £</b>	<b>Community Development</b>	<b>Sure Start £</b>	<b>Total 2008 £</b>	<b>Total 2007 £</b>
Staff costs	<i>Usage</i>	9,104	19,298	15,488	43,890	28,782
Staff expenses	<i>Usage</i>	151	321	258	730	339
Depreciation	<i>Usage</i>	1,438	3,047	2,445	6,930	6,354
		<u>10,693</u>	<u>22,666</u>	<u>18,191</u>	<u>51,550</u>	<u>35,475</u>

**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 2008**

**10. STAFF COSTS AND EMOLUMENTS**

Total staff costs were as follows:

	2008	2007
	£	£
Wages and salaries	589,044	477,575
Social security costs	47,979	39,183
Other pension costs	10,714	8,747
	<u>647,737</u>	<u>525,505</u>

**Particulars of employees:**

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

	2008	2007
	No	No
Number of staff	<u>33</u>	<u>28</u>

No Trustees received any remuneration during the year. The charity paid Trustees expenses of £843 (2007 - £1,155) 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:

	2008	2007
	£	£
Staff pension contributions	10,714	8,747
Depreciation	6,930	6,354
Auditors' fees	1,727	2,035
Operating lease rentals:		
Land & buildings	10,727	11,931
Plant & machinery	<u>2,188</u>	<u>1,683</u>

**12. FUND TRANSFERS**

Fund transfers relate to the following:

The company retained management fees of £66,207 (2007 – £60,424) in accordance with service level agreements made with the grant providers to cover administration costs of the various programmes. Management fees are transferred to unrestricted reserves for the general purposes of the charity.

**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 2008**

**13. TANGIBLE FIXED ASSETS**

	<b>Equipment £</b>
<b>COST</b>	
At 1 April 2007	44,705
Additions	-
<b>At 31 March 2008</b>	<u>44,705</u>
 <b>DEPRECIATION</b>	
At 1 April 2007	26,121
Charge for the year	6,930
<b>At 31 March 2008</b>	<u>33,051</u>
 <b>NET BOOK VALUE</b>	
<b>At 31 March 2008</b>	<u>11,654</u>
At 31 March 2007	<u>18,584</u>

**14. DEBTORS**

	<b>2008 £</b>	<b>2007 £</b>
Trade debtors	70,206	80,491
Prepayments	2,281	2,106
	<u>72,487</u>	<u>82,597</u>

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

	<b>2008 £</b>	<b>2007 £</b>
Trade creditors	-	197
Other creditors	62,055	99,605
	<u>62,055</u>	<u>99,802</u>

**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 2008**

**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 £10,714 (2007 - £8,747). 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 2005
Valuation method	Projected unit credit
Value of assets	£675 million
Value of liabilities	£704 million
Funding level for accrued benefits	96 per cent
Investment return on future contributions per annum	6.6 per cent
Investment return on accumulated assets per annum	4.5 per cent
Pension increases per annum	2.5 per cent
Rate of price inflation	2.5 per cent

The next full actuarial valuation will be carried out as at 30 September 2008.

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 2007. As of this date the estimated employer debt was £941. The actuary has advised that this figure is likely to have increased by approximately 28% to 31 March 2008.

**17. COMMITMENTS UNDER OPERATING LEASES**

At 31 March 2008 the charity had annual commitments under non-cancellable operating leases as set out below.

	2008		2007	
	Land and buildings £	Other items £	Land and buildings £	Other items £
<b>Operating leases which expire:</b>				
Within 1 year	8,967	-	5,536	-
Within 2 to 5 years	-	1,716	-	1,683
	<u>8,967</u>	<u>1,716</u>	<u>5,536</u>	<u>1,683</u>

**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 2008**

**18. DESIGNATED FUNDS**

	<b>Balance at 1 April 2007 £</b>	<b>New designations £</b>	<b>Movement in resources: Utilised/ Released £</b>	<b>Balance at 31 March 2008 £</b>
Durham County Council	-	<b>16,000</b>	<b>(16,000)</b>	-
Wear Valley District Council	-	<b>9,000</b>	<b>(9,000)</b>	-
Primary Care Trust	-	<b>50,000</b>	<b>(50,000)</b>	-
Teesdale District Council	-	<b>2,000</b>	<b>(2,000)</b>	-
	<u>-</u>	<u><b>77,000</b></u>	<u><b>(77,000)</b></u>	<u>-</u>

**Purposes of designated funds**

Durham County Council	This fund is used to provide the service level agreement for core funding for 2007/08.
Wear Valley District Council	This fund is used to provide core funding for 2007/08.
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 2007/08.

**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 2008**

**19. RESTRICTED FUNDS**

	<b>Movement in resources:</b>				
	<b>Balance at 1 April 2007</b>	<b>Incoming</b>	<b>Outgoing</b>	<b>Transfers</b>	<b>Balance at 31 March 2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Wear Valley District Council	4,005	310,298	(287,597)	(26,706)	–
Teesdale District Council	2,090	–	(2,090)	–	–
Durham County Council	–	88,398	(81,198)	(7,200)	–
Durham Primary Care Trust	–	700	(700)	–	–
County Durham Foundation - Community Learning Chest	9,444	–	(9,444)	–	–
County Durham Foundation - SAZ Courses	1,182	2,790	(3,697)	(275)	–
Chester-le-Street CVS - Change Up FIDO	–	9,000	(9,000)	–	–
Chester-le-Street Change Up Volunteering Development	–	2,250	(2,250)	–	–
Sure Start	–	336,481	(306,774)	(29,707)	–
WAHSP	–	12,398	(11,279)	(1,119)	–
Northern Rock Foundation	–	60,107	(60,107)	–	–
Lloyds TSB	–	5,000	(5,000)	–	–
Bishop Auckland College (NRF)	–	22,780	(22,780)	–	–
DISC – VSA	–	1,375	(1,375)	–	–
TCR Teesdale Play	–	12,000	(3,458)	(1,200)	7,342
Weardale Youth Panel	–	5,930	(855)	–	5,075
Teesdale Youth Panel	–	3,366	–	–	3,366
Dawson House Support Group	43	–	(43)	–	–
Restricted office equipment	9,309	–	(4,001)	–	5,308
	<u>26,073</u>	<u>872,873</u>	<u>(811,648)</u>	<u>(66,207)</u>	<u>21,091</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.

**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 2008**

**Purposes of restricted funds**

Wear Valley District Council	Funding for the Wear Valley Community Network, Community Sports Development, Financial Capacity Development, Learning with Sport and SOA Volunteering
Teesdale District Council	Funding towards the projects of Teesdale Youth Participation Worker
Durham County Council	Funding towards Wear Valley and Teesdale Youth Participation Workers
Durham Primary Care Trust	Funding for Volunteer Celebration Event
County Durham Foundation – Community Learning Chest	This fund is to provide direct support to voluntary and community organisations to develop individual and group capacity known as handholding
County Durham Foundation – SAZ Courses	To provide coaching training to Sport Clubs
Chester-le-Street CVS – Change Up FIDO	Funds towards the cost of the funding advisor and resources and sustainability events
Chester-le-Street CVS – Change Up Volunteering Development	Funds to develop the Volunteer Centre function of 2D
Sure Start	This fund is used to employ Sure Start workers
WAHSP	To fund a project worker for Wheatbottom and Helmington Row sustainable project
Northern Rock Foundation	Funding to support the Volunteer Centre function of 2D
Lloyds TSB	Funding to support the Volunteer Centre function of 2D
Bishop Auckland College (NRF)	To deliver targeted recruitment of Volunteers in deprived areas
DISC - VSA	Funding for training
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
Dawson House Support Group	Funds managed on behalf of Dawson House Support Group
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 08 £</b>	Year to 31 Mar 07 £
Balance brought forward	<b>131,745</b>	122,311
Net income for the year	<b>51,521</b>	9,434
Balance carried forward	<b><u>183,266</u></b>	<u>131,745</u>

**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 2008**

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

	<b>Tangible fixed assets</b>	<b>Other net assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Restricted office equipment	5,308	–	5,308
TCR Teesdale Play	–	7,342	7,342
Weardale Youth Panel	–	5,075	5,075
Teesdale Youth Panel	–	3,366	3,366
	<u>5,308</u>	<u>15,783</u>	<u>21,091</u>
Unrestricted funds	6,346	176,920	183,266
	<u>11,654</u>	<u>192,703</u>	<u>204,357</u>

**22. COMPANY LIMITED BY GUARANTEE**

The company is a private company limited by guarantee. The members of the company each guarantee to contribute £1 in the event of a winding up. The Directors are appointed by the members.