

**Tees Valley Rural Action  
(Limited by Guarantee)**

Trustees' Annual Report & Accounts  
for the Year Ended 31 March 2021

"Anderson Barrowcliff LLP Office Copy"

**Tees Valley Rural Action**  
**(A Company Limited by Guarantee)**

**Trustees' Report & Financial Statements**

**Contents**

	<b>Page</b>
Legal and Administrative Information	1
Report of the Trustees	2-6
Independent Examiners' Report	7
Statement of Financial Activities	8
Balance Sheet	9
Notes to the Financial Statements	10-20

**Tees Valley Rural Action Limited**  
**(A Company Limited by Guarantee)**

**Legal and Administrative Information**

**Registered Company number:** 3750700 (England and Wales)

**Registered Charity number:** 1080282

**Registered Office:** Unit 33-34 Cadcam Centre  
High Force Road  
Riverside Park  
Middlesbrough  
TS2 1RH

<b>Trustees:</b>	Hugh Jackson	Chair - Resigned 18.6.21
	Minna Ireland	Treasurer
	David Eagle	Vice-Chair - Resigned 18.6.21
	Janette Holt, MBE	Resigned 31.5.21
	Valerie Johnston	
	Christina Moorhouse	Resigned 19.6.21
	Alexander Sinski	
Brian Wake		

**Chief Executive & Company Secretary:** Rita Lawson

**Bankers:** Yorkshire Bank  
7 Linthorpe Road  
Middlesbrough  
TS1 1RF

**Accountants:** Anderson Barrowcliff LLP  
3 Kingfisher Court  
Bowesfield Park  
Stockton on Tees  
TS18 3EX

**Tees Valley Rural Action**  
**(A Company Limited by Guarantee)**

**Report of the Trustees**  
**for the Year Ended 31 March 2021**

The Trustees (who are also the directors for the purposes of company law) present their report and financial statements for the year ended 31 March 2021.

## **OBJECTIVES AND ACTIVITIES**

Tees Valley Rural Action, (TVRA) is committed to working towards the social, economic, and environmental well-being of rural communities in the Tees Valley and those who live in them. It particularly attempts to identify and address rural disadvantage by working with local groups, individuals, and representatives within communities to enable them to identify and respond to local needs; by providing accurate advice, services, information and support to individuals and local groups; informing and influencing strategic plans of the statutory and voluntary sector and actively participating in national, regional, and local partnerships. The work undertaken by TVRA is such that, not only does it align with its aims and objectives, but also affords the Charity with the ability to influence policy and/or decision makers on rural issues thus ensuring these and many of their associated disadvantages remain high on the agenda.

TVRA focuses its activities on those that directly support individuals and groups within rural communities and, where appropriate, Tees Valley in its entirety. Throughout 2020/2021 TVRA has continued to provide advice, guidance, and support to a broad range of rural groups whilst also delivering Local Authority and other grant funded specific contracts.

TVRA has continued to receive funding from the Department of Environment, Farming and Rural Affairs (DEFRA) via the grant in aid contract with Action with Communities in Rural England (ACRE). This funding is invaluable to the Charity as it enables the core function of the organisation to be realised.

The Trustees have paid due regard to the Charity Commission guidance on public benefit in deciding what activities the charity should undertake.

## **ACHIEVEMENTS AND PERFORMANCE**

This reporting year, 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021, has been somewhat different to other years in that the Charity has had to operate during the Covid 19 pandemic. The government placed the country into a 'lockdown' situation with the population having to follow extremely strict and tight guidelines. Retail and hospitality businesses were not allowed to open, public transport was reduced and so had an impact on social mobility, businesses that were allowed to remain open had to rethink their work practices with those who were able rapidly mobilising their staff to work from home, health services moved to online consultations, schools had to close, families and friends were not allowed to visit each other and the elderly and vulnerable were having to self-isolate in order to protect themselves from the Covid 19 virus.

TVRA staff, almost over-night and following government guidelines, had to mobilise and organise themselves to be able to work from home effectively and efficiently. This enabled a seamless transition to remote working from being office based so that the Charity's beneficiaries were not disadvantaged in any way. Due to Covid 19, TVRA has been unable to deliver its services face-to-face and has had to think creatively and look at alternative ways, such as social media and online meetings using Zoom and/or Teams.

TVRA's Community Transport offer had to be 'mothballed' as the users of both the Mini Bus and Car schemes were either elderly and vulnerable or from a group that was not able to deliver their services due to face-to-face gatherings and/or meetings not being allowed. Not least the volunteer drivers were also vulnerable to the Covid 19 virus due to pre-existing medical conditions and TVRA had a duty of care to protect them from infection.

A core beneficiary group of TVRA, the Village Halls, were in the category whereby they had to close. Volunteer management committees were thrown into a state of turmoil and uncertainty and had to consider their new role, that of managing an empty building as they could not just lock the door, walk away, and wait for the government to tell them what to do. At the start of lockdown, TVRA continued to be the first port of call for small, medium, and large groups seeking information, advice, guidance, and support. Staff were inundated with enquiries as to what was happening, what they should/needed to do and most importantly what they were allowed to do.

Despite these unprecedented times, TVRA has never been more needed and the rural communities within Tees Valley have, despite activities having to be reduced, benefited in several ways which reflect the aims and objectives of the Charity and, also that of the stakeholders who provide funding to undertake specific areas of work. All activities in this reporting year have been delivered using online platforms such as Zoom, Teams, Google Meets, social media, email or by telephone.

**Tees Valley Rural Action**  
**(A Company Limited by Guarantee)**

**Report of the Trustees**  
**for the Year Ended 31 March 2021**

During the year TVRA, with support from ACRE, has been able to provide regular and easy to understand updates on the pandemic and associated restrictions. This relevant advice and guidance has been warmly welcomed as guidelines were not easy to understand and nor was it always relative to village halls and/or community groups. TVRA has also been proactive in supporting the village hall/community building management committees to apply initially for Retail Hospitality and Leisure grants and latterly Local Restriction grants. These were grants that the government made available to support businesses who had to close and were losing income.

Information received through the Charity's national and regional networks on policies and topics affecting the sector has been regularly disseminated to its database of small, medium, and large groups through regular e-bulletins. TVRA has been pivotal in supporting groups to understand their responsibilities throughout the Covid 19 pandemic.

The following section relates to the main areas of activity covered in the period 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021:

**i) Community Development**

- Continued to provide infrastructure support to voluntary and community groups in rural areas with regular information, advice, and guidance updates but more specifically this financial year in relation to the Covid 19 pandemic.
- Village Hall work has been limited to providing advice and guidance on Covid 19 operating restrictions as and when the national lockdown was coming to an end.
- Advising and encouraging Village Hall management committees to apply for the Retail Hospitality and Leisure grants to ease the reduction/loss of income for businesses due to Covid 19 and which included Village Halls.
- Set up, supported, and staffed the mutual aid group, East Cleveland Good Neighbours. This included safe recruitment and management of 180 volunteers; creation and management of a social media group and page for over 2,000 members; co-ordinated and supported volunteers to provide hot meals 3 times per week for 224 residents; provided 752 emergency food parcels; co-ordinated creative, cultural and socially distanced activities for residents, young and old, of the East Cleveland villages; supported the coordination and delivery of volunteer bakers' treat boxes to 451 nominees and used these visits as an opportunity to carry out a doorstep health check and signposting individuals to other appropriate services; all volunteers were given access to MIND and their health and wellbeing online training; Go Fund Me page set up for financial donations. TVRA was commissioned to write their development plan as they were interested in becoming a formally constituted group and continue with their good work beyond Covid 19. The total amount of funding raised throughout this reporting period was in excess of £49,000. TVRA has acted, and will continue to act, as the accountable body for this group.
- Set up and staffed the mutual aid group, Ormesby Good Neighbours and carried out socially distanced activities such as a Covid 19 knitted blanket (now on display in Ormesby Library), Scarecrow competition, garden photo competition, Halloween window dressing, Advent window dressing. The group has 42 volunteers and TVRA's staff member set up a steering group of 14 active individuals who provided the direction and ideas for the activities within the village. It is also envisaged that the group will continue to operate post-covid. TVRA's staff member was successful in securing £2,500 funding to support the work of the group throughout the pandemic. TVRA has acted, and will continue to act, as the accountable body for this group.
- Developed and co-ordinated the creation of a Tees Valley Rural Blanket which was made up of 6-inch knitted squares depicting what Covid 19 meant to them and their village. This will be going 'on tour' in the next financial year around the rural villages.
- Co-ordinated a rural garden photo competition.
- Held virtual Village Hall coffee mornings.

**Tees Valley Rural Action**  
**(A Company Limited by Guarantee)**

**Report of the Trustees**  
**for the Year Ended 31 March 2021**

**ii) Community Transport**

At the start of this reporting period, the Charity set off with good intentions to continue to provide a community transport service whilst also looking to expand and raise funds to purchase an additional smaller minibus. However, due to national lockdown, some of the volunteers being vulnerable as they had an underlying health condition, cancellation of medical appointments, social activities not being allowed and travel restrictions, TVRA could not continue to operate and had no option other than to mothball both the minibus and volunteer car services.

Following a six-month cessation of the minibus group hire scheme, TVRA was able to restart; but not at full passenger occupancy of 16 and only to groups that were able to provide their own volunteer driver who was registered with TVRA. The passenger levels had to be restricted to 8 which didn't make this financially viable for some groups as they would have needed 2 minibuses as opposed to their normal 1. However, the main service users throughout the months of July and September were youth groups as they were able to recommence delivery of their outdoor activities and able to operate in a 'bubble of 6', or more, if there were siblings in the group. Unfortunately, the provision of the minibus service was short-lived as the country went into another lockdown from December 2020 and was mothballed yet again.

The outcomes for the 2020/2021 financial year for the minibus only is listed below together with a comparison for the previous year:

**Minibus**

	2020/2021	2019/2020
Members	4	55
Passengers	115	2,795
Miles	672	12,314
Volunteer Hours	90 @ £9 per hour £810	906 @ £9 per hour £8,154
Volunteer Drivers	15	76

**iii) Rural Issues**

The Tees Valley rural dimension is a significant driver for most of the Charity's work, and it has continued to make ground in the recognition of this aspect within the sub region despite the unprecedented year everyone has had to contend with due to Covid 19. The DEFRA contract, managed through ACRE, has maintained the focus on rural issues, and TVRA has reported back any Tees Valley intelligence relating to that of rural broadband, transport, housing, fuel poverty, neighbourhood planning, community assets, loneliness, and isolation, as well as other wider rural community concerns.

During this reporting period, TVRA commissioned Rose Regeneration to carry out a refresh on its 2017 Rural Evidence Base. This was published in July 2020.

TVRA, through ACRE, became a partner of the Voluntary and Community Sector Emergency Partnership. This was a national Partnership set up in response to Covid by National Association for Voluntary and Community Action (NAVCA), Re-ACT and St. John's Ambulance using funds from the Lottery and Government. TVRA provided weekly intelligence for the rural areas of the Tees Valley relating to any issues that could not be addressed locally and/or regionally, such as food parcel emergencies, recruiting volunteers.

**Tees Valley Rural Action**  
**(A Company Limited by Guarantee)**

**Report of the Trustees**  
**for the Year Ended 31 March 2021**

**iv) Other**

➤ **Support for East Cleveland Villages BIG Local Partnership**

TVRA has continued to act as the Locally Trusted Organisation for the East Cleveland Villages BIG Local Partnership, (ECVBL). Principally acting as the Accountable Body for the £1.1m funds allocated in 2013 to deliver their investment plan and providing the secretariat for their meetings. Work on the Partnership's new Plan had just started to gain momentum at the start of this reporting period but then came to a halt due to Covid 19 and national lockdown. All face-to-face meetings that had been arranged by the consultants couldn't take place and the community engagement work had to move to online Zoom meetings. The new plan was approved by the community and submitted to Local Trust in December 2020. Local Trust carried out their assessment and approved a 3-year plan in February 2021 which will be operational until 31st January 2024.

➤ **Skelton Village Townscape Heritage**

This is a Partnership of Skelton Villages Civic Pride, Redcar and Cleveland Borough Council and TVRA. The Round 2 Heritage Lottery application, with a total scheme cost of £1,528,248 of which the Heritage Lottery Fund were being asked to contribute £952,200 was submitted in March 2016. Following some minor queries during the approval process, the Partnership received notification that the application had been successful in June 2016. The Heritage Lottery funding was to be available from the time of the approval up to and including January 2019 but has since received an extension to September 2020. TVRA continues to be a member of the Partnership Board, the project delivery team and most importantly, the employer of the Project Manager for the duration of the delivery phase of the scheme.

Phase 1 of the capital works together with all the community activity elements are now fully complete. Phase 2 was delayed due to Covid 19, but it was anticipated that contractors would be on site in the summer of 2021 and complete by the end of October 2021.

**Partnership and Collaboration**

It would not be possible to deliver this level of activity without partnership and collaboration. TVRA has many partners, too large in number to list individually but throughout this reporting period have included:-

Action with Communities in Rural England  
Community Transport Association  
Community Transport Member Groups  
County Durham and Cleveland Training Partnership  
Darlington Voluntary Community Sector Engagement Group  
East Cleveland Villages Big Local  
Greater North Rural Community Council Group  
National Association for Community and Voluntary Action  
Rose Regeneration  
Rural Services Network  
Skelton Heritage Partnership  
Step Forward Tees Valley  
Tees Valley Combined Authority  
Tees Valley Local Authorities  
Tees Valley Village Hall Network  
Voluntary Organisations Network North East

**Staff Resources**

TVRA's activities have been delivered by a staff team comprising the Chief Executive, Rural Development Manager and Business Support Manager.

**Tees Valley Rural Action**  
**(A Company Limited by Guarantee)**

**Report of the Trustees**  
**for the Year Ended 31 March 2021**

**Other Activities**

Many village hall management committees in the Tees Valley have enjoyed the services of their respective Local Authority to independently examine their annual accounts as part of their legal ownership of the village hall. However, due to various austerity cuts, several Local Authorities have ceased to do this and TVRA has been able to bridge the gap in providing this vital service which has brought in additional income to the Charity.

**FINANCIAL REVIEW**

The financial position of the Charity is continually monitored by the Chief Executive and Treasurer with financial reports submitted to the Board of Trustees at each meeting. Income and expenditure of the Charity is reviewed against core and project budgets. The Board of TVRA's Trustees report that the Charity continues to be in a relatively sound financial position for a further year. The results for the year are shown in the Statement of Financial Activities on page 8. The charity showed a surplus on unrestricted funds before transfers of £40,356 (2020: deficit £19,075) and an overall surplus of £49,808 (2020: deficit £21,114).

**Reserves Policy**

In the current economic climate, the Trustees aim to maintain free reserves at a level which equates to approximately three months core operating costs, (£32,000). This will be reviewed annually to ensure that this target figure is both current and enough to enable costs to be covered. Free non-designated reserves were £129,956 at 31 March 2021. Unrestricted reserves also include designated amounts for potential redundancy requirements, £19,368 and Pensions Trust deficit of £22,713. The Pensions Trust liability will not fall due unless TVRA withdraw from the pension scheme in its entirety. Restricted reserves at the year-end were £27,542.

**Funds held on behalf of others**

TVRA continues to act as accountable body for the ECVBL and £59,086 was held at the end of March 2021. TVRA also acts as agent for East Cleveland Good Neighbours and Ormesby Good Neighbours. At the year-end £8,754 and £1,751 respectively were held for these two organisations. The money for these organisations is held within the charity's main bank account and records are kept of their income and expenditure, which are regularly reported to them.

**STRUCTURE GOVERNANCE AND MANAGEMENT**

Tees Valley Rural Action (TVRA) is an independent registered Charity - No 1080282 - and was established on 11 April 2000. TVRA is a company limited by guarantee, registered in England on 12 April 1999. The guarantee of members is limited to £1 each in the event of the company being wound up. The company is governed by its Memorandum & Articles of Association.

The Board of Trustees meet, as a minimum, four times per annum to administer the Charity. The skill base of the Trustees is subject to regular review and training. New Trustees are recommended to the Board of Trustees and are approved at their Board meetings. Honorary Officers and Trustees are also elected following nomination at the Annual General Meeting. New Trustees are provided with an induction file which contains TVRA's administration details, policies, and procedures.

TVRA is a member of Action with Communities in Rural England (ACRE), the national umbrella body for the national network of Rural Community Councils. The Network currently consists of 38 members. ACRE operates at national, regional, and local levels in support of the Rural Community Councils and rural communities across the country providing a direct link to Central Government.

In reviewing the aims and objectives of the Charity and as part of the planning of future work, the Trustees have taken account of the guidance given by the Charity Commission on public benefit. Careful consideration is given to ensuring that activities consistently contribute to the Charity's objectives. TVRA's main areas of charitable activity are detailed in the Annual Report.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006.

*Minna Ireland.*

By Order of the Board  
Minna Ireland  
Treasurer

Date: ..... *30 September 2021* .....



**Tees Valley Rural Action**  
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**Report of the Trustees**  
**for the Year Ended 31 March 2021**

I report on the accounts of the company for the year ended 31 March 2021 which are set out on pages 8 to 20.

**Respective responsibilities of trustees and examiner**

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The Charity's gross income exceeded £250000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the Charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:-

- examine the accounts under section 145 of the 2011 Act.
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

**Basis of independent examiner's statement**

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any such unusual items or disclosures in the accounts and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

**Independent examiner's statement**

In connection with my examination, no matter has come to my attention:-

- 1 which gives me reasonable cause to believe that, in any material respect, the requirements:
  - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
  - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met; or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Mr D J Robertson FCA  
Anderson Barrowcliff LLP  
3 Kingfisher Court  
Bowesfield Park  
Stockton on Tees  
TS18 3EX

4 October 2021

**Tees Valley Rural Action**  
**(A Company Limited by Guarantee)**

**Statement of Financial Activities**  
**(Including Income & Expenditure Account) At 31 March 2021**

	<u>Note</u>	<u>Unrestricted Funds £</u>	<u>Restricted Funds £</u>	<u>2021 Total Funds £</u>	<u>2020 Total Funds £</u>
<b>INCOME</b>					
<b>Charitable activities</b>					
Donations & legacies	2	21,060	188,221	209,281	162,693
Other income from Charitable Activities:					
Service delivery		647	-	647	4,290
Transport Service Delivery		584	-	584	18,623
<b>Income from other trading activities</b>					
Fundraising income		-	-	-	573
Management fees		51,871	-	51,871	21,970
<b>Total income</b>		<b>74,162</b>	<b>188,221</b>	<b>262,383</b>	<b>208,149</b>
<b>EXPENDITURE</b>					
Charitable activities	3	33,806	178,594	212,400	229,428
<b>Total expenditure</b>		<b>33,806</b>	<b>178,594</b>	<b>212,400</b>	<b>229,428</b>
<b>Net Income/Expenditure</b>		<b>40,356</b>	<b>9,627</b>	<b>49,983</b>	<b>(21,279)</b>
Other recognised gains and losses					
Transfers between funds		9,950	(9,950)	-	-
Re-measurement gain/(loss) on defined benefit pension plan	14	(175)	-	(175)	165
<b>Net movements in funds for the year</b>		<b>50,131</b>	<b>(323)</b>	<b>49,808</b>	<b>(21,114)</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>					
As previously reported	4	-	-	-	205,391
Prior year adjustments		-	-	-	(34,506)
<b>Balances brought forward restated</b>		<b>121,906</b>	<b>27,865</b>	<b>149,771</b>	<b>170,885</b>
<b>Total funds carried forward</b>	10	<b>172,037</b>	<b>27,542</b>	<b>199,579</b>	<b>149,771</b>

The notes on pages 10 to 20 form part of these accounts.

**Tees Valley Rural Action**  
**(A Company Limited by Guarantee)**

**Balance Sheet**  
**At 31 March 2021**

		2021	2020
	<u>Note</u>	£	£
<b>Fixed assets</b>	7	21,468	28,624
<b>Current assets</b>			
Debtors	8	15,954	13,941
Cash at bank and in hand		244,161	249,780
		<u>260,115</u>	<u>263,721</u>
<b>Creditors: amounts falling due within one year</b>	9	76,874	(136,496)
<b>Net current assets</b>		183,241	28,624
<b>Total assets less current liabilities</b>		<u>204,709</u>	<u>155,849</u>
Defined benefit pension liability	14	(5,130)	(6,078)
<b>Net assets</b>		<u>199,579</u>	<u>149,771</u>
<b>Funds:</b>			
Unrestricted funds - general	10	129,956	84,952
Unrestricted funds - designated	10	42,081	36,954
		<u>172,037</u>	<u>121,906</u>
Restricted funds	10	27,542	27,865
<b>Total funds</b>		<u>199,579</u>	<u>149,771</u>

For the year ending 31 March 2021 the company was entitled to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies.

**Directors Responsibilities:-**

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

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

Approved by the Board of Trustees on .....30 Sept.....2021 and signed on their behalf by:

.....M Ireland..... M Ireland

Company Number 3750700

The notes on pages 10 to 20 form part of these accounts.

The notes form part of these financial statements

**Notes to the Financial Statements for the Year Ended 31 March 2021**

**1 ACCOUNTING POLICIES**

**(a) General information and basis of preparation**

The charitable company is a registered charity in England. The address of the registered office is given in the Legal and Administrative Details on page 1. The nature of the charitable company's operations and principal activities are shown in the Trustee's Report. The charity is a private company limited by guarantee. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

The charitable company constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charitable companies preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared in sterling which is the functional currency of the charitable company, rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**(b) Going Concern**

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

**(c) Fund Accounting**

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering the funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**(d) Incoming Resources**

Items of income are recognised and included in the accounts when all the following criteria are met:-

- The charity has entitlement to the funds.
- Any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity.
- There is sufficient certainty that receipt of the income is considered probable; and
- The amount can be measured reliably.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation unless performance conditions require deferral of the amount.

Grants receivable are shown gross and are recognised in the SOFA to the extent that they relate to the period up to the year end. Where funding has been given for a period that spans the year end, the amount that relates to the following period is deferred and carried forward.

**(e) Resources Expended**

All expenditure is accounted for on an accruals basis and is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount can be measured reliably. Irrecoverable VAT is included in expenditure against the relevant cost for which the expenditure was incurred. Expenditure is classified under the following headings:-

**Tees Valley Rural Action**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements for the Year Ended 31 March 2021**

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities. It includes both costs which can be directly allocated to activities and those costs of an indirect nature.
- Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll, and governance costs.
- Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

**(f) Tangible Fixed Assets**

Fixed assets are normally written off in the year of purchase. Although this is not in accordance with general accounting principles, the Trustees consider that in view of the nature of the Charity, this is an appropriately prudent policy.

The Charity received 2 minibuses from the Department of Transport during the year 31 March 2017 and, in view of the materiality of this donation, these have been capitalised and depreciated at 25% per annum on a reducing balance basis. These were included as a restricted fund and depreciation charged to it on an annual basis. At the year end the Net Book Value of the minibuses has been transferred to unrestricted funds and the charity now have the right to the sale proceeds of them.

**(g) Debtors**

Trade and other debtors with no stated interest rate and receivable within one year are recognised at the transaction price.

**(h) Cash & 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.

**(i) Creditors**

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.

**(j) Pension Costs**

The company participates in a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme, therefore it accounts for the scheme as a defined contribution scheme. The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises. See note 14 to the accounts for further information.

**(k) Operating leases**

Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the period of the lease.

**(l) Termination payments**

Termination payments are recognised at the amount paid in the period that the liability to make the payment arose.

**Tees Valley Rural Action**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements for the Year Ended 31 March 2021**

**2 DONATIONS & LEGACIES**

	Unrestricted	Restricted	2021 Total	2020 Total
	£	£	£	£
Redcar & Cleveland Sustainability Fund	-	20,000	20,000	-
Local authority funding - Skelton				
Heritage Initiative	-	32,827	32,827	45,377
DEFRA (managed by ACRE)	-	35,235	35,235	34,418
RCVDA	8,000	-	8,000	8,000
Darlington VCSE Grants	3,000	-	3,000	25,884
NIC Step Forward Tees Valley	-	-	-	24,383
Our Community Matters	-	21,363	21,363	24,631
Sundry Donations	60	-	60	-
Big Lottery - emergency Covid funding	-	38,934	38,934	-
Covid Champion funding	-	4,250	4,250	-
Middlesbrough Borough Council Covid Grant	10,000	-	10,000	-
Big Local - contribution to salaries	-	35,612	35,612	-
	<u>21,060</u>	<u>188,221</u>	<u>209,281</u>	<u>162,693</u>

In 2020 £8,000 of the grants were unrestricted and £154,693 were restricted.

In 2020 the £4,290 service delivery and the £18,623 transport service delivery income were unrestricted. The fundraising income of £573 and management fee of £21,970 were unrestricted.

**Tees Valley Rural Action**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements for the Year Ended 31 March 2021**

**3 EXPENDITURE ON CHARITABLE ACTIVITIES**

	2021	2020
	£	£
Grants	-	21,142
Staff costs (note 6)	149,282	135,574
Interest expenses (note 14)	137	94
Payroll services costs	216	216
Other staff costs – settlement agreement	8,250	-
HR Advisors	1,920	1,920
Training	-	1,344
Conferences and meetings	153	609
Travel expenses	492	2,980
Trustee expenses	86	494
AGM & Trustee meeting costs	-	32
Service delivery	1,642	10,113
Transport costs	3,087	6,076
Premises costs	7,739	16,568
Insurance	1,305	2,853
Office costs	4,874	5,208
Information technology	1,060	1,920
Marketing & publicity	652	280
Subscriptions	6,045	4,909
Independent examiners fee	3,480	4,080
Bookkeeping services	2,137	1,748
Consultancy	7,000	-
Bank charges	61	75
Sundry expenses	101	1,049
Depreciation	7,156	9,543
Bad debts	-	601
Grant repaid - Step Forward Tees Valley	5,525	-
	<u>212,400</u>	<u>229,428</u>

In 2020 £72,531 of the expenditure related to unrestricted expenditure and £156,897 related to restricted.

In 2020 the grants paid represent grants paid to various community based organisations out of money received from the Darlington Small Sparks fund.

**4 PRIOR YEAR ADJUSTMENT**

In prior years, the money received from Big Local, FOSCO and Stillington Tea & Tonic were included within restricted income and expenses included in the charity expenses. These amounts should not have been included within charity funds as the money is only received as agent and payments are only made from the funds received as directed by the organisations. The balances were removed from charity funds in the year ended 31 March 2020 and are now included within creditors as funds received as an agent.

**Tees Valley Rural Action**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements for the Year Ended 31 March 2021**

**5 STAFF COSTS**

Staff costs were as follows: -

	2021	2020
	£	£
Wages & salaries	135,202	122,595
National Insurance costs	9,580	8,810
Pension costs	4,500	4,169
	<u>149,282</u>	<u>135,574</u>

The average number of employees during the year was 4 (2020 - 4). No employee had emoluments in excess of £60,000.

**Trustees' remuneration and expenses**

No remuneration was paid to trustees in the year (2020 - nil).

Mileage expenses were reimbursed to 2 Trustees totalling £86 (2020 - £494 - 1 trustee).

**Remuneration of key management personnel**

The key management personnel comprise the trustees and Chief Executive Officer. The total employee benefits of key management personnel were £44,394 (2020: £41,791).

**Settlement payment**

A settlement payment of £8,250 was paid in the year to one employee.

**6 TAXATION**

The charity is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 and is considered to pass the test set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

**7 FIXED ASSETS**

	Motor Vehicles £	Total £
<b>COST</b>		
At 1 April 2020 & 31 March 2021	<u>90,470</u>	<u>90,470</u>
<b>DEPRECIATION</b>		
At 1 April 2020	61,846	61,846
Charge for the year	7,156	7,156
At 31 March 2021	<u>69,002</u>	<u>69,002</u>
<b>NET BOOK VALUE</b>		
At 31 March 2021	<u>21,468</u>	<u>21,468</u>
At 31 March 2020	<u>28,624</u>	<u>28,624</u>



**Tees Valley Rural Action**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements for the Year Ended 31 March 2021**

**8 DEBTORS**

	2021	2020
	£	£
Trade debtors	-	6,628
Other debtors	659	2,060
Prepayments and accrued income	15,295	5,253
	<u>15,954</u>	<u>13,941</u>

**9 CREDITORS: amounts falling due within one year**

	2021	2020
	£	£
Accruals	7,283	6,364
Funds received as agent	69,591	130,132
	<u>76,874</u>	<u>136,496</u>

As described in note 3 and the Trustees' Report, the funds received as agent are held on behalf of Big Local, East Cleveland Good Neighbours and Ormesby Good Neighbours. Tees Valley Rural Action receive their funds and administer on their behalf.

<b>Funds received as agent</b>	2021	2020
	£	£
Balance brought forward	130,132	34,506
Received in the year	74,059	281,100
Paid out in the year	(102,512)	(185,474)
Transfer of management fees	(32,088)	-
	<u>69,591</u>	<u>130,132</u>

**Tees Valley Rural Action**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements for the Year Ended 31 March 2021**

**10 MOVEMENT IN FUNDS**

	Bal B/fwd 01.04.20 £	Income £	Expenditure £	Transfers & Pensions £	Bal c/fwd 31.03.21 £
<b>Unrestricted - general funds</b>	83,072	74,162	33,981	6,703	129,956
<b>Unrestricted - designated funds</b>					
Redundancy reserve	16,140			3,228	19,368
Pensions provision	22,694			19	22,713
	<u>121,906</u>	<u>74,162</u>	<u>33,981</u>	<u>9,950</u>	<u>172,037</u>
<b>Restricted:</b>					
ACRE - contract	-	35,235	35,235	-	-
Step Forward Tees Valley	12,662	-	5,525	(7,137)	-
Our Communities Matter	12,109	21,363	24,653	(8,819)	-
National Lottery	-	38,934	38,934	-	-
Darlington VCSE	4,742	-	700	(750)	3,292
Skelton Heritage	(1,648)	32,827	37,935	6,756	-
Sustainability fund	-	20,000	-	-	20,000
Covid champion funding	-	4,250	-	-	4,250
East Cleveland Villages Big Local – contribution to salaries	-	35,612	35,612	-	-
	<u>27,865</u>	<u>188,221</u>	<u>178,594</u>	<u>(9,950)</u>	<u>27,542</u>
<b>TOTAL FUNDS</b>	<u>149,771</u>	<u>262,383</u>	<u>212,575</u>	<u>-</u>	<u>199,579</u>

**Restricted funds**

The balance of these funds is specific to the continuation of activity related to the projects for which the funding has been given and the details of the projects are contained within the Trustees report.

**Designated funds**

TVRA's income is predominantly from funding contracts or service level agreements which are time limited. In the event that the level of income cannot be maintained throughout a financial year and there needs to be a reduction in staff and/or closure of the Charity, the Trustees consider it prudent to designate funds to cover the costs of redundancy payments. Redundancy costs at the year end are calculated and a transfer is made to the designated fund to ensure that it covers this amount.

There is a contingent liability of £27,843 with The Pensions Trust which would become payable if the Charity were to withdraw completely from the pension scheme. Of this deficit, £5,130 has been provided in the accounts and is being repaid over time (Note 14) and the balance (£22,713) is included as a designated fund.

The transfer from restricted funds to unrestricted funds, represents underspends on projects which the funders have agreed do not have to be repaid and can be transferred to unrestricted funds.

The transfer of unrestricted to restricted funds represents an overspend on the project.

**Tees Valley Rural Action**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements for the Year Ended 31 March 2021**

**11 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £	Restricted Funds £	Total £
Tangible fixed assets	21,468	-	21,468
Current assets	232,573	27,542	260,115
Total liabilities	(82,004)	-	(82,004)
	<u>172,037</u>	<u>27,542</u>	<u>199,579</u>

**12 OPERATING LEASES**

At the year end the company had commitments under non-cancellable operating leases as detailed below: -

	2021 £	2020 £
Within 2-5 years	<u>5,695</u>	<u>5,712</u>

Lease payments in the year amounted to £8,465

**13 RELATED PARTY TRANSACTIONS**

No related party transactions occurred during the year.

**Tees Valley Rural Action**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements for the Year Ended 31 March 2021**

**14 PENSION LIABILITY**

**SCHEME: TPT Retirement Solutions – The Growth Plan**

The company participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

**Deficit contributions**

From 1 April 2019 to 31 January 2025:	£11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)
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Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:-

**Deficit contributions**

From 1 April 2016 to 30 September 2025:	£12,945,440 per annum (payable monthly and increasing by 3% each on 1st April)
From 1 April 2016 to 30 September 2028:	£54,560 per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

<b>Present values of provision</b>	<b>31.3.21</b>	<b>31.2.20</b>	<b>31.3.19</b>
	£	£	£
Present value of provision	5,130	6,072	7,373

**Tees Valley Rural Action**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements for the Year Ended 31 March 2021**

**14 PENSION LIABILITY - continued**

**RECONCILIATION OF OPENING AND CLOSING PROVISIONS**

	Period Ending 31.09.21 £	Period Ending 31.09.20 £
Provision at start of period	6,078	7,373
Unwinding of the discount factor (interest expense)	137	94
Deficit contribution paid	(1,260)	(1,224)
Re-measurements – impact of any change in assumptions	175	(165)
Re-measurements – amendments to the contribution schedule		-
	<hr/>	<hr/>
Provision at end of period	5,130	6,078
	<hr/>	<hr/>

**INCOME & EXPENDITURE IMPACT**

	Period Ending 31.09.21 £	Period Ending 31.09.20 £
Interest expense	137	94
Re-measurements – impact of any change in assumptions	175	(165)
	<hr/>	<hr/>
	312	(71)
	<hr/>	<hr/>

**ASSUMPTIONS**

	31.3.21	31.03.20	% Per Annum 31.03.19
Rate of discount	0.66	2.53	1.39

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

**Notes to the Financial Statements for the Year Ended 31 March 2021**

**14 PENSION LIABILITY - continued**

The following schedule details the deficit contributions agreed between the company and the scheme at each year end period:

**DEFICIT CONTRIBUTIONS SCHEDULE**

Year Ending	31.03.21	31.03.20	31.03.19
	£	£	£
Year 1	1,298	1,260	1,224
Year 2	1,337	1,298	1,260
Year 3	1,337	1,337	1,298
Year 4	1,182	1,337	1,337
Year 5		1,182	1,337
Year 6			1,182
Year 7			
Year 8			
Year 9			
Year 10			
Year 11			
Year 12			
Year 13			
Year 14			
Year 15			
Year 16			
Year 17			
Year 18			
Year 19			
Year 20			

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the company's balance sheet liability.