

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

Trustees' Annual Report & Accounts
for the Year Ended 31 March 2023

"Charity Commission Copy"
Registered Charity No: 1080282

Tees Valley Rural Action
(A Company Limited by Guarantee)

Trustees' Report & Financial Statements

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**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

Trustees:	Brian Wake	Chair (Resigned 22 August 2022)
	Valerie Johnston	Chair
	Tanya Singh	Vice Chair
	Minna Ireland	Treasurer (Resigned 8 March 2023)
	Paul Frost	
	Helen Zagrovic	Treasurer (Resigned 24 th May 2023)
	Gemma Baker	(Resigned 25 January 2023)
	Justine Foxcroft	(Resigned 25 January 2023)

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 2023

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 2023.

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 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 2022/2023 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 which activities the Charity should undertake.

ACHIEVEMENTS AND PERFORMANCE

This reporting year, 1st April 2022 to 31st March 2023 was the first full operational year following the lifting of Covid 19 restrictions meaning that the Charity could get back to delivering all of its services. However, the Charity has retained a hybrid working pattern for its staff; 2 days in the office and 3 working from home. One thing that Covid 19 has highlighted is that organisations such as ours can effectively deliver its services and take part in meetings using a mixture of online, (Zoom and/or Teams) and face-to-face meetings. TVRA has limited staff and financial resources and so the opportunity to attend external meetings online has reduced the need to travel long distances, saving time away from the office and mileage costs. It has also afforded staff the opportunity to attend meetings/conferences in other parts of the region and county that have not been possible due to the additional burden of costly rail travel and accommodation.

This reporting period saw the Mini Bus Group Hire scheme back to full operational strength with demand increasing for community groups/organisations needing affordable transport.

Unfortunately, it has not been possible to restart the Volunteer Car Scheme, despite there being a demand, due to the two main barriers: finance and recruiting volunteers.

Securing external funding for Community Transport has proven difficult to source. This has been primarily due to the Energy Price Cap being removed, high inflation, the war in Ukraine giving rise to high fuel costs and high mortgage rates; this led to the UK economy being impacted and acknowledgement by the Government that there was a cost of living crisis. The emphasis therefore has been to predominantly support initiatives that will help to alleviate the difficulties of fuel and food poverty for vulnerable families. Funders have had to adapt their criteria very quickly to react to yet another crisis to ensure funds are directed to those providing vital support and services to vulnerable families.

Following Covid a lot of Village Halls and Community Groups saw changes within their management structures, from volunteers retiring through to volunteer fatigue. TVRA has remained pivotal in supporting the Village Halls and Community Groups within the Tees Valley to understand their ongoing responsibilities.

Information received through the Charity's local, national, and regional networks on policies and topics affecting the sector has continued to be regularly disseminated to its database of small, medium, and large groups through regular e-bulletins.

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Report of the Trustees
for the Year Ended 31 March 2023

The following section relates to the main areas of activity covered in the period 1st April 2022 to 31st March 2023:

i) Community Development

- Continued to provide infrastructure support to village halls, voluntary and community groups in rural areas with regular information, advice, and guidance updates.
- The focus of Village Halls work has been advice and guidance on recruiting volunteers for their management committees, reviewing, and updating policies and procedures.
- Continued to work with Village Halls, Community Centres and other groups wanting to consider becoming registered as a Charitable Incorporated Organisation or Community Interest Company.
- East Cleveland Good Neighbours, (ECGN) has continued to operate as a project within Tees Valley Rural Action as well as providing advice and guidance around operations and fundraising. Staffing support, funded through East Cleveland Big Local, continued. ECGN has continued to provide a volunteer-led 7 day per week helpline, operate the foodbank and deliver food parcels of essential supplies on specific days of the week, doorstep health checks could still happen and signpost individuals to other appropriate services and offer a befriending service. TVRA has also been the main conduit for residents of East Cleveland to apply for fuel vouchers.
- Reacting to the cost of living crisis led to working in partnership with another local charity to provide, on a pilot basis, an experienced advice worker to attend the weekly 'Wonderful Wednesdays' at the Loftus Community Hub. This has proved very successful and toward the end of the financial year discussions were opened up with East Cleveland Big Local (ECBL) for funding to make this a permanent arrangement.
- TVRA secured income of £20,485 for ECGN through general fundraising and funding applications to Community Trusts. The cost of living crisis has had an impact on surplus food donations and this income has ensured that the Foodbank has been able to maintain a supply of staple foods for the food parcels.
- Continued to support the mutual aid group, Ormesby Good Neighbours, (OGN) and to be their Accountable Body. With the support of TVRA, OGN has secured income of £1,450. This has helped provide essential financial support to vulnerable families in respect of food vouchers, school meal debt and/or essential uniform items, and be a conduit for fuel voucher referrals.
- Funded through Woodsmith Foundation (£8k) developed and delivered 4 'Nuts and Bolts of Funding Applications' sessions to the rural areas of East Cleveland. Attendees were also able to utilise up to 2 hours of free face-to-face time with a member of TVRA's team to act as their critical friend when ready to submit a funding application.
- TVRA's application to The National Lottery Community Fund (TNLCF) to support Community Development in East Cleveland was submitted in August 2022. The application was successful. A grant offer of £157,197.00 over a 3 year period was made in February 2023 and the project will commence 1st June 2023.

ii) Community Transport

TVRA has continued to deliver the Minibus Group Hire scheme providing affordable transport to its members. Beneficiaries have included members of groups such as Health and Wellbeing, Walking, Church, Youth, Refugee/Asylum, Luncheon, School Academies and Village Halls. The table below shows a comparison of this reporting period year and that of the post pandemic year of 2021/2022:

Minibus

	2022/2023	2021/2022
Members	25	16
Passengers (Adult)	777	1,325
Passengers (U18s)	1,404	
Miles	9,645	6,820
Volunteer Hours	@ £9.50 per hour £12,682.50	876 @ £9.50 per hour £8,332
Volunteer Drivers	30	18

TVRA has continued to receive enquiries for the Volunteer Car scheme which clearly demonstrates demand for transport to and from medical appointments. This is especially in light of the criteria for NHS Patient Transport criteria and availability being quite stringent. The scheme is resource intensive and due to lack of access to funding opportunities it has not been possible to restart the scheme.

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Report of the Trustees
for the Year Ended 31 March 2023

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. This has been supported through being able to provide copies of TVRA's Rural Evidence Base (republished January 2021). Significantly, the latter was refreshed to include a section on farming and agriculture in the Tees Valley. TVRA has continued to raise the rural voice whenever possible at various meetings with existing and new stakeholders. The DEFRA contract, managed through ACRE, has maintained the focus on rural issues, and TVRA has reported back any Tees Valley intelligence relating to rural broadband, transport, housing, fuel poverty, neighbourhood planning, community assets, loneliness, and isolation, as well as other wider rural community concerns. TVRA has continued its annual membership with the Rural Services Network, Voluntary Organisations Network North East, National Council for Voluntary Organisations, Voluntary and Community Sector Emergency Partnership and the Tees Valley Infrastructure Partnership. To further our objective of raising the rural voice, new and renewed connections have been made with the local authorities of Darlington, Hartlepool, Redcar and Cleveland and Stockton on Tees, Tees Valley Combined Authority, Cleveland Fire Brigade, Cleveland Police and Crime Commissioner's Office, Tees Esk and Wear Valley NHS Foundation Trust, Social Prescribing Academy, Lloyds Bank Foundation, Teesside Community Foundation, and North East and Cumbria Integrated Care System.

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 £1.2m funds allocated in 2013 to deliver their investment plan and providing the secretariat for their meetings. TVRA has received additional funding from ECVBL to support the full recovery costs of the Business Development Manager for 3 days per week. This decision by the Partnership has been essential and pivotal to gain momentum on the delivery of their current plan, due to end and be renewed in January 2024. The planned coming together of East Cleveland Good Neighbours (ECGN) and ECVBL was finally agreed late summer 2022. Spend on the ECVBL plan has accelerated in the 2022/2023 financial year. The Partnership piloted a 'Soup Event' in October 22; based on the Detroit concept of bringing communities together to pitch their project ideas and secure votes from the audience and receive a share of the funding available on the night. The original concept was that the funding would be from social investors or entry fees to the event. In this instance ECVBL took the decision not to charge an entry fee and that the pot of funding available on the night would be 100% ECVBL funds. The pilot event was a success and the Partnership agreed to fund another one in February 2023. The Partnership also agreed that the concept would be included in their final plan scheduled for completion in February 2024.

➤ **Tees Esk and Wear Valley (TEWV) NHS Trust**

The delivery of the small grants programme that TVRA delivered on behalf of TEWV NHS Trust, for Darlington front-line organisations in 2021/2022 was a success. All 8 projects that were approved, benefitting from a total of £75,361 in grants, were successfully delivered. TEWV NHS Trust identified further 'non-recurring' funding for the financial year ending 31st March 2023 focusing on their Staying Well programme. TVRA was asked to hold the funding and to oversee the application, approval, and monitoring process. The value of the fund was £49,087 and at the time of the closing date was oversubscribed by 55%. Following a robust appraisal and decision panel, by the end of October 2022 the fund had been fully allocated and grant offer letters issued to 8 projects. The projects are expected to complete in the financial year 2023/2024.

➤ **Local Access Redcar and Cleveland and Hartlepool (LARCH)** – this initiative which is being led by Voluntary Organisations Network North East (VONNE) was formally launched in May 2022 following the successful appointment of a Programme Manager. This is an initiative to encourage the growth of new and existing social entrepreneurs that could benefit from development grants or blended finance (social loan and grant). TVRA's CEO has continued as Chair of the Redcar and Cleveland Area Panel, (RCAP) and representative on the joint Management Board. The RCAP, has overseen the approval of 9 projects that have received initial development grant support with a view to moving to social investment loans.

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- **Redcar and Cleveland Voluntary Development Agency (RCVDA)** – this infrastructure organisation has gone through an extremely turbulent time that has impacted on, not just their finances but also TVRA's through the withdrawal of a funding contract from Redcar and Cleveland Borough Council. In September 2022, TVRA's CEO assisted the Board of RCVDA with the interview for an interim Chief Executive Officer. Since that appointment has been made the CEO has met with the interim CEO on a regular basis. This has led to discussions about working more collaboratively and in partnership around areas of mutual interest and benefit. RCVDA commissioned TVRA to oversee their appraisal and allocation of TEWV NHS funding for Redcar and Cleveland. Also worked in partnership to deliver a Nuts and Bolts of Funding Applications to 2 groups in Redcar and Cleveland. Discussions around the opportunity to work together on Health and Wellbeing, Social Prescribing and Community Transport will be pursued in the forthcoming 2023/2024 financial year.

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 Partnership
Greater North Rural Community Council Group
Inclusion North
National Association for Community and Voluntary Action
Redcar and Cleveland Voluntary Development Agency

Rose Regeneration
Rural Services Network
Stockton Rural Communities (TVRA Chair)
Tees Esk and Wear Valley NHS Foundation Trust
Tees Valley Combined Authority
Tees Valley Infrastructure Partnership
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 Development Manager.

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, 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 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 deficit on unrestricted funds before transfers of £30,261 (2022 : £28,497) and an overall deficit of £19,041 (2022 : £53,152).

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 £85,374 at 31 March 2023. Unrestricted reserves also include designated amounts for potential redundancy requirements, £15,789 and Pensions Trust deficit of £15,003. 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 £11,220.

Funds held on behalf of others

TVRA continues to act as accountable body for the ECVBL and £91,318 was held at the end of March 2023. TVRA also acts as agent for East Cleveland Good Neighbours, Ormesby Good Neighbours and Tees Esk & Wear Valley NHS Trust. At the year-end £3,302, £1,050 and £24 respectively were held for these 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.

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Report of the Trustees
for the Year Ended 31 March 2023

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.



By Order of the Board

Chair
V Johnston

Date: 1st November 2023

Tees Valley Rural Action
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Independent Examiners Report
for the Year Ended 31 March 2023

I report on the accounts of the company for the year ended 31 March 2023 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.

Anderson Barrowcliff LLP

Mrs J Bennett FCA
Anderson Barrowcliff LLP
3 Kingfisher Court
Bowesfield Park
Stockton on Tees
TS18 3EX

Date: 9.11.23

Tees Valley Rural Action
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Statement of Financial Activities
(Including Income & Expenditure Account) At 31 March 2023

	Note	Unrestricted Funds £	Restricted Funds £	2023 Total Funds £	2022 Total Funds £
INCOME					
Charitable activities					
Donations & legacies	2	32,466	58,455	90,921	75,444
Other income from Charitable Activities:					
Service delivery		2,905	-	2,905	7,346
Transport Service Delivery		16,028	-	16,028	7,903
Income from other trading activities					
Management fees		6,758	-	6,758	12,807
Investment income					
Interest received		2,015	-	2,015	
Total income		60,172	58,455	118,627	103,500
EXPENDITURE					
Charitable activities	3	90,433	47,235	137,668	159,247
Total expenditure		90,433	47,235	137,668	159,247
Net Income/Expenditure		(30,261)	11,220	(19,041)	(55,747)
Other recognised gains and losses		-	-	-	-
Re-measurement gain/(loss) on defined benefit pension plan	13	-	-	-	2,595
Net movements in funds for the year		(30,261)	11,220	(19,041)	(53,152)
RECONCILIATION OF FUNDS					
Total funds brought forward		146,427	-	146,427	199,579
Total funds carried forward	9	116,166	11,220	127,386	146,427

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

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Company No. 3750700

Balance Sheet at 31 March 2023

		2023	2022
	Note	£	£
Fixed assets	6	12,075	16,101
Current assets			
Debtors	7	5,029	61,509
Cash at bank and in hand		212,601	181,819
		217,630	243,328
Creditors: amounts falling due within one year	8	101,511	111,735
Net current assets		116,119	131,593
Total assets less current liabilities		128,194	147,694
Defined benefit pension liability	13	(808)	(1,267)
Net assets		127,386	146,427
Funds:			
Unrestricted funds – general	9	84,232	110,661
Unrestricted funds - designated	9	30,792	35,766
		116,166	146,427
Restricted funds	9	11,220	-
Total funds		127,386	146,427

For the year ending 31 March 2023 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 1st November 2023 and signed on their behalf by:


Chair
V. Johnston

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 2023

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

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

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.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated 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:-

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Notes to the Financial Statements for the Year Ended 31 March 2022

(e) Resources Expended (continued)

- 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,

(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 1,638 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 13 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.

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Notes to the Financial Statements for the Year Ended 31 March 2023

2 DONATIONS & LEGACIES

	Unrestricted	Restricted	2023 Total	2022 Total
	£	£	£	£
Julia and Hans Rausling Trust	-	11,220	11,220	-
Local authority funding – Skelton Heritage Initiative	-	-	-	1,957
DEFRA (managed by ACRE)	-	34,235	34,235	35,235
RCVDA	-	-	-	8,000
Darlington VCSE Grants	-	-	-	1,500
Volunteering Challenge	-	5,000	5,000	-
Sundry Donations	363	-	363	926
Woodsmith Foundation	-	8,000	8,000	-
Big Local - contribution to salaries	18,304	-	18,304	14,173
Greggs Foundation North East	13,799	-	13,799	13,653
	32,466	58,455	90,921	75,444

In 2022 £38,252 of the grants were unrestricted and £37,192 were restricted.

In 2022 the £7,346 service delivery and the £7,903 transport service delivery income were unrestricted. The management fee of £12,807 was unrestricted.

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Notes to the Financial Statements for the Year Ended 31 March 2023

3 EXPENDITURE ON CHARITABLE ACTIVITIES

	2023	2022
	£	£
Staff costs (note 4)	97,280	110,979
Interest expenses (note 13)	-	30
Payroll services costs	216	216
Project Costs	-	3,000
HR Advisors	237	1,920
Training	941	5
Conferences and meetings	-	62
Travel expenses	1,395	1,166
AGM & Trustee meeting costs	73	952
Service delivery	1,589	1,702
Transport costs	6,899	5,768
Premises costs	6,079	5,814
Insurance	1,414	1,708
Office costs	3,055	4,821
Information technology	1,352	1,274
Marketing & publicity	648	1,689
Subscriptions	6,562	6,568
Independent examiners fee	3,930	3,750
Bookkeeping services	1,800	1,860
Bank charges	7	7
Sundry expenses	165	589
Depreciation	4,026	5,367
	137,668	159,247

In 2022 £64,442 of the expenditure related to restricted expenditure and £94,805 related to unrestricted.

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Notes to the Financial Statements for the Year Ended 31 March 2023

4 STAFF COSTS

Staff costs were as follows:-

	2023	2022
	£	£
Wages & salaries	89,614	100,483
National Insurance costs	4,077	6,282
Pension costs	3,589	4,214
	<u>97,280</u>	<u>110,979</u>

The average number of employees during the year was 3 (2022 - 3). No employee had emoluments in excess of £60,000.

Trustees' remuneration and expenses

No remuneration was paid to trustees in the year (2022 - nil).

No mileage expenses were to trustees in the year (2022 - nil).

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 £43,830 (2022: £45,759).

5 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.

6 FIXED ASSETS

	Motor Vehicles £	Total £
COST		
At 1 April 2022 & 31 March 2023	<u>90,470</u>	<u>90,470</u>
DEPRECIATION		
At 1 April 2022	74,369	74,369
Charge for the year	4,026	4,026
At 31 March 2023	<u>78,395</u>	<u>78,395</u>
NET BOOK VALUE		
At 31 March 2023	<u>12,075</u>	<u>12,075</u>
At 31 March 2022	<u>16,101</u>	<u>16,101</u>

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Notes to the Financial Statements for the Year Ended 31 March 2023

7 DEBTORS

	2023	2022
	£	£
Trade debtors	1,642	9,068
Other debtors	659	49,746
Prepayments and accrued income	2,728	2,695
	<u>5,029</u>	<u>61,509</u>

8 CREDITORS: amounts falling due within one year

	2023	2022
	£	£
Accruals	5,817	6,119
Funds received as agent	95,694	105,616
	<u>101,511</u>	<u>111,735</u>

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

Funds received as agent

	2023	2022
	£	£
Balance brought forward	105,616	69,591
Received in the year	85,556	151,562
Paid out in the year	(95,478)	(115,597)
Transfer of management fees	-	60
	<u>95,694</u>	<u>105,616</u>

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Notes to the Financial Statements for the Year Ended 31 March 2023

9 MOVEMENT IN FUNDS

	Bal B/fwd 01.04.22 £	Income £	Expenditure £	Transfers & Pensions £	Bal c/fwd 31.03.23 £
Unrestricted - general funds	110,661	60,172	90,433	4,974	85,374
Unrestricted - designated funds					
Redundancy reserve	21,222	-	-	(5,433)	15,789
Pensions provision	14,544	-	-	459	15,003
	<u>146,427</u>	<u>60,172</u>	<u>90,433</u>	<u>-</u>	<u>116,166</u>
Restricted:					
ACRE – contract	-	34,235	34,235	-	-
Julia and Hans Rausling Turst	-	11,220	-	-	11,220
Volunteering Challenge	-	5,000	5,000	-	-
Woodsmith	-	8,000	8,000	-	-
	<u>-</u>	<u>58,455</u>	<u>47,235</u>	<u>-</u>	<u>11,220</u>
Total restricted	<u>-</u>	<u>58,455</u>	<u>47,235</u>	<u>-</u>	<u>11,220</u>
TOTAL FUNDS	<u>146,427</u>	<u>118,627</u>	<u>137,668</u>	<u>-</u>	<u>127,386</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 £15,811 with The Pensions Trust which would become payable if the Charity were to withdraw completely from the pension scheme. Of this deficit, £808 has been provided in the accounts and is being repaid over time (Note 13) and the balance (£15,003) is included as a designated fund.

10 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total £
Tangible fixed assets	12,075	-	12,075
Current assets	206,410	11,220	217,630
Total liabilities	(102,319)	-	(102,319)
	<u>116,166</u>	<u>11,220</u>	<u>127,386</u>

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Notes to the Financial Statements for the Year Ended 31 March 2022

11 OPERATING LEASES

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

	2023	2022
	£	£
Within 2-5 years	2,885	4,315

Lease payments in the year amounted to £7,341

12 RELATED PARTY TRANSACTIONS

No related party transactions occurred during the year.

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Notes to the Financial Statements for the Year Ended 31 March 2023

13 PENSION LIABILITY

	31 March 2023 (£s)	31 March 2022 (£s)	31 March 2021 (£s)
Present value of provision	808	1,267	5,130

SCHEME: TPT Retirement Solutions – The Growth Plan

The company participates in the scheme, a multi-employer scheme which provides benefits to some 638 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 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. 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 2022 to 31 January 2025: £3,312,000 per annum (payable monthly)

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 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 asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 30 September 2025: £11,243,000 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.

PRESENT VALUES OF PROVISION

	31 March 2023 (£s)	31 March 2022 (£s)	31 March 2021 (£s)
Present value of provision	808	1,267	5,130

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Notes to the Financial Statements for the Year Ended 31 March 2023

13 PENSION LIABILITY - continued

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending 31.03.23	Period Ending 31.03.22
	£	£
Provision at start of period	1,267	5,130
Unwinding of the discount factor (interest expense)	25	30
Deficit contribution paid	(462)	(1,298)
Re-measurements - impact of any change in assumptions	(22)	(29)
Re-measurements - amendments to the contribution schedule	-	(2,566)
	<hr/>	<hr/>
Provision at end of period	808	1,267
	<hr/> <hr/>	<hr/> <hr/>

INCOME & EXPENDITURE IMPACT

	Period Ending 31.03.23	Period Ending 31.03.22
	£	£
Interest expense	25	30
Re-measurements	(22)	(29)
- impact of any change in assumptions	-	(2,566)
- amendments to the contribution schedule	-	(2,566)
	<hr/>	<hr/>
	3	(2,565)
	<hr/> <hr/>	<hr/> <hr/>

ASSUMPTIONS

	% Per Annum	
	31.3.23	31.03.22
Rate of discount	5.52	2.35
		31.03.21
		0.66

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 2023

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	31.03.23	31.03.22	31.03.21
	£	£	£
Year 1	462	462	1,298
Year 2	385	462	1,337
Year 3		385	1,337
Year 4			1,182
Year 5			
Year 6			
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.