

NORTHERN HEARTLANDS

England & Wales · Charity number 1186306

Details

Status Registered

Legal form CIO

Registered 2019-11-13

Register [View on the Charity Commission register](#)

Contact

Address 3 Witham Studios
Hall Street
Barnard Castle

Phone 01833200220

Email info@northernheartlands.org

Website www.northernheartlands.org

Activities

Objects: TO ADVANCE THE EDUCATION OF THE PUBLIC IN THE SUBJECT OF THE ARTS THROUGH THE PROVISION OF SEMINARS AND WORKSHOPS.

Activities: Northern Heartlands is a place-based cultural organisation currently delivering a range of arts, heritage & creative projects with communities across south & west Durham. It also operates at a strategic level with cross-sectoral partners, promoting community engagement through creativity being used to support a range of agendas, from health and wellbeing to planning, the environment & tourism.

Classification

- **How:** Makes Grants To Organisations, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** General Charitable Purposes, Education/training, Arts/culture/heritage/science, Economic/community Development/employment
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-28	£332,783	£338,363	-	-
2024-03-28	£231,193	£265,395	-	-
2023-03-28	£126,624	£251,722	-	-
2022-03-28	£432,526	£225,084	-	-
2021-03-28	£98,403	£70,970	-	-

Trustees

Name	Role	Appointed
Graham David Young	Chair	2019-11-19
Amanda Tutin		2023-02-15
Anthony Michael Joseph Harrington		2019-11-19
Ben Tinkler		2024-10-25
Christopher Arthur Jones		2025-12-15
JANE IRVING		2019-11-19
Lucy Jenkins		2025-01-14

NORTHERN HEARTLANDS

England & Wales - Charity number 1186306

Accounts

Registered Charity Number 1186306

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)

REPORT AND ACCOUNTS
For the year ending 31 March 2025

**NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2025
TRUSTEES' REPORT**

As the Board of Trustees, we present our report and financial statements for the year to 31 March 2025.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity Number	1186306
Registered Office	3 Witham Studios, Hall Street, Barnard Castle DL12 8JB
Independent Examiner	Pete O'Hara FCA, Chartered Accountant, 26 La Sagesse, Jesmond, Newcastle upon Tyne NE2 3AF

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

Northern Heartlands CIO was established as a Charitable Incorporated Organisation (CIO) on 13 November 2019. As a CIO it is governed by its constitution.

Structure and Governance/ Board of Trustees

The charity currently has a board of four non-executive Trustees.

The Trustees of Northern Heartlands CIO during the year and to the date of signing this report were as follows:

Mr A M J Harrington	
Mrs J Irving (nee Hartley)	
Ms L Jenkins	Appointed 14 January 2025
Mr B Tinkler	Appointed 25 October 2024
Mrs A Tutin	
Mr G D Young	

Recruitment and Appointment of Board of Trustees

Whilst we are delighted to have recruited two highly qualified and experienced Trustees during the year, we remain mindful that in order for our Board to be truly balanced we would still like to recruit another Trustee with lived experience of the communities we aim to serve and represent.

We have reviewed our approach to the recruitment process and continue to search actively for the right person to join our Board.

Trustee Induction and Training

Trustees are provided with a range of resources to support their understanding of Northern Heartlands' activities and outlining Trustee duties and responsibilities.

**NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2025
TRUSTEES' REPORT**

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Management

Day-to-day operation of the charity is delegated to the Director, Jill Cole, and Senior Manager, Katy Milne.

The charity currently employs a total of four people:

- Director - Jill Cole (0.8 Full Time Equivalent) (FTE)
- Senior Manager - Katy Milne (full-time)
- Creative Communities Co-ordinator - Lyndsey Middleton (0.8 FTE)
- Office & Systems Manager - Jayne Bradley (full-time).

Payroll is managed externally by Allen Sykes, Accountants.

OBJECTIVES AND ACTIVITIES

Charitable Purpose, Aims & Objectives

Our principal charitable objective is "*To advance the education of the public in the subject of the arts through the provision of seminars and workshops*".

As an arts charity and Arts Council England National Portfolio Organisation we have continued to work primarily with communities and individuals in County Durham, with our main area of benefit being the deeply rural hill-farming communities of Teesdale & Weardale as well as the post-industrial communities of the former Durham coalfield area. We have retained a strong regional profile and the year also saw some delivery in the Yorkshire Dales as part of the 'Tees-Swale: Creatively Connected' programme.

We work with people to celebrate the unique identity of a place, valuing its heritage and culture, and fostering creativity. By amplifying local voices, we help empower communities to overcome challenges and imagine new possibilities so meaningful change can happen.

Our practice involves bringing together artists, communities and partners to create the conditions for creativity to flourish.

Our work has three interconnected strands:

- Health & Wellbeing
- Connected Communities
- Landscape & Environment

Vision, Mission & Values

Northern Heartlands' Vision is for strong, connected, and healthy local communities, where people are actively involved in shaping their lives and their environment.

Northern Heartlands' Mission is to engage and support local people and communities by using creativity to develop agency, build social capital and foster individual potential.

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2025
TRUSTEES' REPORT

OBJECTIVES AND ACTIVITIES (CONTINUED)

Vision, Mission & Values (Cont.)

We aim to achieve this mission by:

- Recognising that each place we work in, and each community we work with, is unique
- Working with creative practitioners in everything we do
- Ensuring we always work collaboratively with communities
- Always reviewing, learning from and adapting our approach and sharing our learning with others
- Supporting artists and creative practitioners to reach their full potential
- Working in partnership

Our Values:

We aspire to be:

- Committed - to what we do, to each other to those we work with
- Trusted - by each other and by those we work with
- Dignified - in our own actions and by respecting the dignity of everyone we work with
- Ambitious - for ourselves, for our organisation and for the places, the communities, and the individuals we work with
- Authentic - in all of our actions
- Humble - in respecting and valuing the opinions and beliefs of others

Public Benefit

The Trustees understand and have discussed the implications of the provisions of the Charities Act 2006, which requires all charities to be able to demonstrate that they are established for public benefit and have had due regard to the public benefit guidance issued by the Charity Commission.

The Trustees believe that the charity meets both of the key principles.

Principle 1 - There must be an identifiable benefit, or benefits

The benefits from our work are:

Improved mental wellbeing for individuals of all ages and backgrounds, and particularly for those living in areas of socio-economic deprivation and/or deeply rural areas in South-West Durham.

This is most clearly evidenced through our work with Bishop Busy Hands – the legacy group established as a result of the Four Clocks Group which we continued to support until December 2024. Weekly creative sessions were run for participants, many of whom live with complex mental and in some cases physical disabilities. We were especially proud of group member Becky Sullivan, who volunteered to be on the Committee of the new group and from December 2024 took a lead in devising creative sessions, promoting the group's activities to others and undertaking her own professional development. Becky lives with complex disabilities and has cited her involvement with the group as being key to improvement in her mental health and directly resulting in reduced visits to her GP and a decrease in her medication.

Throughout the project, 124 sessions were facilitated for over 40 adults with a range of health and wellbeing needs

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2025
TRUSTEES' REPORT

OBJECTIVES AND ACTIVITIES (CONTINUED)

Public Benefit (Cont.)

“Since joining it really has helped me so much for my own mental wellbeing. It has genuinely helped me with my confidence in getting involved with people again and life too” (Take Part in Teesdale participant)

Building on the success of Bishop Busy Hands and a commitment to delivering creative health activity, we ran a year-long project benefiting residents of four former pit villages in Teesdale. Using the same model as Four Clocks/Bishop Busy Hands, free weekly creative sessions were offered to tackle loneliness and isolation and improve health and wellbeing outcomes for adults living in rural Teesdale. 27 adults took part in arts activity exploring photography, filmmaking, creative writing and textiles. 44 weekly sessions were delivered by 9 different artists and free transport was provided to widen access

Increased community cohesion in our area of benefit.

During the year, this included support for community groups in Weardale and Shildon as part of the local authority's Place Partnership programme 'Into The Light' through the Place Lab Project, a programme of engagement and participation which significantly added value to the work of existing community groups and helped establish stronger locality networks. We were also pleased to work in partnership with other organisation to deliver 'Pride in Teesdale' – a programme of workshop activities and events benefiting the LGBTQA+ community in Teesdale and raising awareness and acceptance of an under-served section of the public.

“Today made me feel...connected, uplifted, hopeful, a sense of togetherness and shared humanity” (Community Participant)

Principle 2 - Benefit must be to the public, or a section of the public

All elements of our work have provided benefit to the public in general. Throughout the year, we directly engaged 6,162 people across more than 308 events, exhibitions and activities. We delivered activities for people of all ages in a variety of settings, including village halls and community centres, a local observatory, primary and secondary schools, cultural venues (The Witham Arts Centre and The Bowes Museum) and outdoors in nature.

Principle 2 - Benefit must be to the public, or a section of the public

Reserves Policy

In Q4 of this year, the Trustees reviewed Northern Heartlands' Reserves Policy in line with the guidance issued by the Charity Commission.

The Trustees aim firstly to hold a level of unrestricted Reserves which enables the charity to have sufficient financial resources to meet various liabilities which would crystallise if Northern Heartlands' funding were to be withdrawn and/or it were unable to continue operating.

A target reserves figure has been calculated based on contractual notice periods of staff and the time required to wind up the charity, and takes into account costs to cover staff salaries, statutory redundancy payments, overheads costs and estimated liabilities.

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2025
TRUSTEES' REPORT

OBJECTIVES AND ACTIVITIES (CONTINUED)

Reserves Policy

At present, the Trustees therefore estimate that the Unrestricted Reserves required for such purposes amount to approximately £45,000.

If possible, the Trustees then aspire to retain an additional allowance of c£10,000 to enable the charity to respond flexibly to issues or appropriate initiatives which might be identified outside of its annual budgeting process.

The required level of Reserves is therefore in the range of £45,000 to £55,000.

Northern Heartlands currently has total Unrestricted Reserves at 31 March 2025 of £59,151 (2024: £41,500). Free Reserves, defined as Unrestricted Funds minus any Designated Funds minus the value of Tangible Fixed Assets are £57,971 (2024: £40,965), which is slightly above the target level but is felt to provide a modest degree of additional contingency.

The Trustees review specific liabilities at every quarterly Board meeting.

The Reserves Policy is revisited by the Board annually in the light of progress against budget and is updated at the time of drafting the annual accounts.

Investment Policy

The charity has the power under the Constitution to make any investment which the Trustees see fit.

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2025
TRUSTEES' REPORT

OBJECTIVES AND ACTIVITIES (CONTINUED)

Risk Management

The Trustees of the charity regularly review the major governance, operational and financial risks which the charity faces as part of its annual business planning process and confirm that systems have been established to mitigate these risks.

Northern Heartlands has a risk management strategy in place that comprises:

- an annual review of the strategic risks the charity may face
- the establishment of systems and procedures to mitigate identified risks
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

The Trustees are satisfied that appropriate financial systems and controls are in place, together with appropriate employment policies and practices.

The Trustees consider the key risks facing the charity at this time and the mitigating actions taken to be as follows.

The Trustees consider the key risks facing the charity at this time to be as follows:

- a) Loss of key personnel with the Director's impending retirement (March 2026) and failure to attract and retain high calibre of staff with the right skill sets.
- b) The organisation's inability to cover core costs owing to lack of unrestricted funding
- c) Original Board members nearing retirement from office per constitution (maximum of 3 x three-year terms as a Trustee).
- d) Competition for funding from key trusts and foundations

These risks are mitigated in the following ways:

- a) Succession planning for April 2026 is underway. Options are being considered in light of financial forecasts.
- b) Trustees are working with staff to pursue an alternative business model including the potential of earned income generated from the organisation's charitable services. All project budgets include realistic full cost recovery.
- c) The charity has a detailed Trustee Recruitment policy in place; Trustees and staff are alert to the need to recruit a Trustee with lived experience and an opportunity to become a Trustee for the charity is retained on the Northern Heartlands website.
- d) We continue to ensure partnership working and knowledge sharing with other County Durham-based cultural organisations, actively seeking possibilities for combined funding applications. We are developing a new business model with support from the Pilotlight 360 programme (see below for further details of this)

The Trustees also manage the general financial risks by ensuring that:

- prudent budgets are set for each financial year
- the charity maintains a low cost-base

**NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2025
TRUSTEES' REPORT**

ACHIEVEMENTS AND PERFORMANCE

Summary of the Charity's Main Achievements During the Year

The charity began the year in a healthy position. 2024-25 marked our second year as an Arts Council England National Portfolio Organisation with unrestricted funding of £100k per annum, and also the second year in which the charity was in receipt of unrestricted funding from the Esmée Fairbairn Foundation which this year amounted to £62,405.

Northern Heartlands continued to play a key role in the cultural sector in the North East, with Director Jill Cole serving as co-Chair of Culture Durham and remaining on the Board of the North East Culture Partnership as well as being the 'arts representative' on the Advisory Board of TeesSwale: Naturally Connected, a £8.5m nature recovery programme funded primarily by NLHF.

Our small core staff of 2 full-time and 2 0.8 FTEs is supplemented by creative and cultural freelancers; this year saw us working with over 70 artists and creative practitioners as well as a freelance social media manager who was working part time with us and succeeded in significantly increasing our social media profile.

Partnership working remains core to our working practice, and the year saw us partnering/working with the following organisations on a variety of creative projects:

Bowes Primary School	St Mary's Primary School
Cotherstone Primary School	Teesdale Community Resources
Coundon Community Association	Teesdale School (secondary)
Culture Durham	Teesdale Special Flora Trust
Curious Arts	Teesdale YMCA
Drama in the Dale	The Bowes Museum
Durham County Council	The DIY Ceilidh Band
Durham Wildlife Trust	The Witham Arts Centre
Into The Light (Durham Place Partnership Programme)	Unfolding Theatre
Jubilee Fields Community Association (Shildon)	UTASS (Upper Teesdale Agricultural Support Services)
No More Nowt	Wear'd Aliens and Cream Tees (Youth Folk Music groups)
North Pennines National Landscape	Weardale Together
North Pens	Yorkshire Dales National Park Authority
Shildon Town Council	

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2025
TRUSTEES' REPORT

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Summary of the Charity's Main Achievements During the Year (Cont.)

Activity Highlights (Projects)

During the year we delivered a total of nine major projects focussing on our charitable objects across three key areas, as well as working to develop the organisation.

Health and Wellbeing

We continued to develop our creative health programme with the Four Clocks social prescribing group which moved location to Bishop Auckland Town Hall. During the year we worked with individuals within the group to establish themselves as an independent group. **'Bishop Busy Hands'** is now a thriving creative group in its own right.

Another regular programme of weekly creative health activities continued until February 2025 in the former pit villages of Evenwood, Cockfield, Woodland and Butterknowle. This **'Take Part in Teesdale'** project was funded through Creative UK and the national Know Your Neighbourhood scheme. Finally a project funded through the local authority's Public Health service worked with young people to explore issues around gender and identity. '

The i:D project' engaged the services of writer Lizzie Lovejoy and photographer Elaine Vizor. The project included siting a pop-up Camera Obscura in the grounds of Teesdale School and visits to the local Grassholme Observatory in Teesdale. A short video documenting this project is available here: [i:D Project](#)

Connected Communities

'Creative Catalyst: Setting the Scene' - In the communities of Coundon and Witton Park – two former pit villages, both 'Category D' (all investment in them ceasing when the pits closed) - we worked closely with the existing village hall/community centre committees to explore local barriers to engagement. Both places are located within the top 10-20% most deprived LSOAs in the national Index of Multiple Deprivation (IMD). The communities face higher than average rates of child poverty and higher than national average percentages identified as long-term unemployed. Both have higher than UK average rates of crime and anti-social behaviour.

Appointed artists Dominic Smith and Ronan Devlin spent weeks with each community, listening, engaging in activities on village walkabouts and meeting people on the street to share views. Particular interest came from a small group of young dads, out with their kids who are keen on developing a live music scene in Coundon. An outcome of the project was a curated art newspaper, delivered to 5,000 households, with images (photos) taken by local residents of unexpected aspects of the local area. As a result, we've been approached by a neighbouring community interested in engaging in similar work. We plan to build on this in 2025/26.

'Pride in Teesdale' - In partnership with TCR, Teesdale YMCA, The Witham Arts Centre and The Bowes Museum we ran 'Pride in Teesdale' – a project focusing on the young queer community in this deeply rural and isolated area. Visibility of LGBTQIA+ is limited; there is a predominantly ageing and traditional demographic and opportunities to engage are limited. A mini Pride festival marked the start of the programme which included exploring mythical creatures with Drag King Lady Kitt, creating poetry with spoken word artist Lizzie Lovejoy and two family ceilidhs with gender-neutral band DIY Ceilidh.

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2025
TRUSTEES' REPORT

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Summary of the Charity's Main Achievements During the Year (Cont.)

All activity has been planned in collaboration with young people and plans are in place for more activity and engagement in future.

A video created as part of this project is available here:

<https://www.youtube.com/watch?v=x8wq8TiJi0>

'Cultivate Commissions' - Working in partnership with No More Nowt we supported 20 artists with a commission/grant to develop their work. The programme culminated in a curated participatory event at Redworth Hall. 205 freelance artists benefited from the programme which also included development days, and professional support throughout. 2,899 audience / participants benefited from attending live events and participating in the artists' activity.

'Place Lab' - Also delivered in partnership with No More Nowt, Place Lab is a flagship project within the local authority's Place Partnership programme Into The Light. Northern Heartlands was contracted to deliver activity in Weardale and Shildon. Working closely with existing community groups in both localities, the project reached over 1000 people. The aim of the programme was, broadly, to use the power of culture and creativity to support communities to make civic change happen locally. It is intended to build on this work in 2025/6.

Landscape & Environment

The 'Budding Botanists' project was a continuation of an environmental project with primary schools which culminated in an exhibition for the general public at The Witham Arts Centre in Barnard Castle. This creative project aimed to engage and inspire primary school children and their families and broaden awareness of the rare flora of Upper Teesdale and the environmental factors and challenges affecting its existence. The project was funded by The Department for Environment and Rural Affairs (DEFRA) through the Farming in Protected Landscapes (FiPL) scheme.

Site visits to Cow Green Reservoir were arranged for students and teachers to explore the landscape and discover more about the Teesdale Assemblage. Artists were engaged to facilitate creative activities on site and afterwards in schools, using photography and sound recording techniques.

- 5 site visits to Cow Green Reservoir were delivered for 4 Teesdale Primary Schools
- 3 artists were engaged to facilitate creative activities
- Over 80 school children took part
- Site visits were accompanied by volunteers from the Teesdale Special Flora Trust including eminent botanist Dr Margaret Bradshaw, who worked with the students to understand the significance of these unique Teesdale flowers
- The project culminated in an exhibition of the students' creative responses, called 'Fabulous Flora!' at The Witham in Barnard Castle. Artwork included photography, sound compositions, cyanotype prints and zines.
- The exhibition featured an interactive opportunity for visitors listen to the sounds of Upper Teesdale and to make their own 'zine' inspired by the flora of upper Teesdale.

"I heard the water in the stream, and it felt like popping popcorn"

"I enjoyed making and listening to sounds in the wildlife"

"I learnt that nature is more amazing than I thought!"

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2025
TRUSTEES' REPORT

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Summary of the Charity's Main Achievements During the Year (Cont.)

“Tees Swale: Creatively Connected” - In June 2024 we secured a major contract with the Yorkshire Dales National Park Authority working in partnership with North Pennines National Landscape to deliver ‘Tees-Swale: Creatively Connected’, an arts project funded by The National Heritage Lottery Fund and Arts Council England to respond to the landscape and environmental issues across Teesdale and Swaledale. Five artists were recruited to deliver a programme of creative enquiry amplifying the themes of NPNL’s ‘Tees-Swale: Naturally Connected’ programme – a 5 year, £8m programme focussing on high nature value farming and nature recovery.

- 5 artists have been working across upper Teesdale and Swaledale
- The project is bringing farmers, residents, landowners, ecologists, conservationists together through creative enquiry
- Arts activity is being used to explore often challenging concepts and combining a range of perspectives
- The programme is being evaluated and is evidencing the value of arts and artists in non-arts sectors
- The project will culminate in a dynamic knowledge-sharing event in September 2025

Other Activity

The charity secured an award from The Weston Foundation and was able to take advantage of an 8-month programme of development with the Pilotlight 360 programme. From November 2024, Director Jill Cole, Chairman Graham Young and Senior Manager Katy Milne took part in monthly meetings with 3 business mentors, exploring ways in which we might diversify our income. The sessions also helped us to consider succession planning in light of the Director’s planned retirement in March 2026.

Director Jill Cole retained her role as co-chair of the interim Advisory Group for Culture Durham, working with other members to develop an application to the Charity Commission.

We worked with freelance designer Sally Pilkington who developed a refresh of our brand alongside the development of a Communications Strategy.

Financial Review

The outturn for the year is an unrestricted surplus of £17,651 (2024: surplus of £68,413), leaving Unrestricted Funds at 31 March 2025 of £59,151.

**NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2025
TRUSTEES' REPORT**

FUTURE PLANS

There is no doubt that the future funding landscape for the charity sector in general, and the arts and culture sector in particular, faces huge uncertainty.

A small reduction in the DCMS budget in 2025 is likely to impact a sector already struggling to survive, whilst recent local elections in County Durham have returned a local authority with a strong Reform majority, whose support for arts and culture is still to be determined.

We have been granted an extension to our current 3-year Arts Council NPO funding agreement (definitely until March 2027, and potentially until March 2028), but no other funding is currently available to replace the unrestricted funds from the Esmée Fairbairn Foundation from April 2026.

Nevertheless, the demand for our work remains as strong as ever and staff are working tirelessly to secure funding from a wide range of sources to ensure Northern Heartlands not only survives but continues to thrive.

The Director has presented Trustees with a range of options for organisational restructure following her retirement in 2026. And in the immediate future we are working steadily towards the development of a new business model which will mean less reliance on external funding sources; we plan to seek more commissioning opportunities and build relationships with businesses and service providers who might benefit from our expertise and experience in creative community engagement methods. This will enable us to diversify income streams and at the same time fulfil our commitment to our charitable objectives.

2025/26 will see a development of the Place Lab programme in Weardale and Shildon. We will build on the work started in the former mining village of Coundon and plan to work with families and the wider community to develop a programme of music-based activity there.

We will also build on the partnerships established through 'Pride in Teesdale' and, in particular, we're keen to further develop the relationships with the two key cultural venues in Barnard Castle –The Bowes Museum and Witham Arts Centre – which have been established through this project this year.

On the health and wellbeing front we will develop work started through the i:D project, exploring issues of identity, gender and sense of belonging, and improving mental health for young people in rural areas.

Finally, we will be focussing in the coming year on organisational development and continued support and opportunities for the many freelance artists who make up the greater part of the workforce in the creative and cultural sector.

**NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2025
TRUSTEES' REPORT**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for managing the business of the charity and may exercise all the powers of the charity unless restricted by the Charities Act or the constitution of the charity.

The Trustees are responsible for the preparation of the financial statements for each financial year which show a true and fair view of the state of affairs of the charity as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year.

In preparation of the financial statements the Trustees should follow best practice and:

1. Select suitable accounting policies and apply them.
2. Make judgements and exercises that are reasonable and prudent.
3. Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charity will continue on that basis.

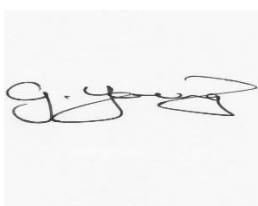
The Trustees are responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charity.

The Trustees are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

DECLARATIONS

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005 by the Charities Commission England and Wales).

This report was approved by the Board of Trustees on 8 August 2025 and signed on its behalf by:



**Graham Young
Trustee/Chair**

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS ON THE UNAUDITED ACCOUNTS OF NORTHERN HEARTLANDS CIO FOR THE YEAR ENDED 31 MARCH 2025

I hereby report to the Trustees/Members of Northern Heartlands CIO (Charity Registration Number 1186728) on the accounts for the year ended 31 March 2025 set out on pages 14 to 24.

Responsibilities and Basis of Report

As the charity's Trustees (and also its directors for the purposes of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

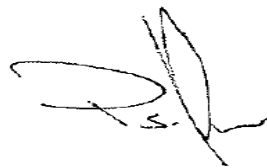
Having satisfied myself that the accounts of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent Examiner's Statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods or principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Pete O'Hara, FCA, Chartered Accountant
Fellow of the Institute of Chartered Accountants in England & Wales

26 La Sagesse, Jesmond, Newcastle upon Tyne NE2 3AF

8 August 2025

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
STATEMENT OF FINANCIAL ACTIVITIES
YEAR TO 31 MARCH 2025

	Note	Unrestricted Funds £	Restricted Funds £	Total 2025 £	Total 2024 £
Income					
Income from Investments	3	2,383	-	2,383	543
Income from Grants, Donations & Legacies	4	169,767	136,795	306,562	215,321
Income from Charitable Activities	5	23,838	-	23,838	15,329
Total Income		195,988	136,795	332,783	231,193
Expenditure					
Expenditure on Charitable Activities	6	178,337	160,026	338,363	265,395
Total Expenditure		178,337	160,026	338,363	265,395
Net Income/(Expenditure)	7	17,651	(23,231)	(5,580)	(34,202)
Balance brought forward		41,500	34,075	75,575	109,777
Balance carried forward at 31 March	12	£59,151	£10,844	£69,995	£75,575

The notes on pages 16 to 24 form part of the financial statements.

There are no recognised gains and losses during the year other than as shown above

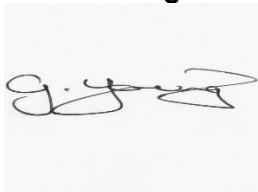
All the activities for the year are continuing activities.

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
STATEMENT OF FINANCIAL POSITION/BALANCE SHEET
At 31 MARCH 2025

	Notes	2025 £	2024 £
Fixed Assets			
Tangible Fixed Assets	10	1,180	4,006
Current Assets			
Debtors	11	8,600	15,345
Cash at Bank and In Hand		67,431	59,262
		<u>76,031</u>	<u>74,607</u>
Creditors:			
Amounts Falling Due Within 1 Year	12	(7,216)	(3,038)
		<u>68,815</u>	<u>71,569</u>
Net Current Assets			
		<u>68,815</u>	<u>71,569</u>
Total Net Assets		<u>£69,995</u>	<u>£75,575</u>
Represented By:			
Unrestricted Funds	13, 14	59,151	41,500
Restricted Funds	13, 14	10,844	34,075
		<u>£69,995</u>	<u>£75,575</u>

The notes on pages 16 to 24 form part of the financial statements.

The financial statements were approved by the Board, and authorised for issue, on 8 August 2025 and signed on its behalf by:



Graham Young
Trustee and Chair

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2025

1. Accounting Policies

Charity Information

Northern Heartlands CIO is a Charitable Incorporated Organisation. The registered office is 3 Witham Studios, Hall Street, Barnard Castle DL12 8JB.

The charity is a public benefit entity.

Basis of Accounting

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Statement of Recommended Practice (Charities SORP FRS 102) "Accounting and Reporting by Charities" and the Charities Act 2011.

The financial statements have been prepared on the historical cost basis, modified to include certain financial instruments at fair value.

Advantage has been taken of the provisions in the SORP for Charities applying FRS 102 Update Bulletin 1 not to prepare a statement of cashflows.

The financial statements are prepared in sterling, which is the functional currency of the charity.

Income

All income, including grant income, is included in the Statement of Financial Activities (SOFA), net of VAT, when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Such income is only deferred when the donor or funder has specified that the grant or donation can only be used in future accounting years or where the donor or funder has imposed conditions which must be met before the charity has unconditional entitlement.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Income from Investments

Interest receivable on fixed interest securities and bank deposits is included on an accruals basis.

Expenditure

All expenditure is accounted for on an accruals basis and is recognised when a liability is incurred.

- Costs of Raising Funds are those costs of seeking potential funders and applying for funding.
- Charitable activities include expenditure associated with the provision of grant funding, research, advocacy and the direct provision of creative learning-related activities. This includes both the direct costs and support costs relating to these activities.

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2025

1. Accounting Policies (Cont.)

Expenditure (Cont.)

- Support or Indirect costs are those costs incurred in support of the charitable objectives. These have been allocated to the resources expended on a consistent basis that fairly reflects the true use of those resources within the organisation, such as allocating staff costs by time spent and other costs by their usage.
- Governance costs are those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Operating Leases

The charity classifies the lease of certain printing equipment as operating leases as the title to the equipment remains with the lessor. Rental charges are charged against income on a straight-line basis over the year of the lease.

Tangible Fixed Assets and Depreciation

Depreciation is provided on the fixed assets at rates calculated to write off the assets over their remaining useful lives as follows:

Office & ICT Equipment	– over 5 years
Fixtures & Fittings	– over 5 years

A full year's depreciation charge is applied in the year of acquisition and no charge is made in the year of disposal.

Impairment of Fixed Assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Fund Accounting

The charity has a number of restricted income funds to account for situations in which a funder requires that a grant must be spent on a particular purpose or where funds have been raised for a specific purpose. The aim and use of each restricted fund is set out in Note 13 to the financial statements.

All other funds are considered Unrestricted Funds and are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2025

1. Accounting Policies (Cont.)

Taxation

Northern Heartlands CIO is a registered charity and, as such, is not liable to taxation on its income in the current year.

Pensions

Northern Heartlands contributes to a defined contribution pension scheme. Further details can be found in Note 9.

For the defined contribution scheme, the amount charged to the Statement of Financial Activities in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' of FRS102 to all its financial instruments.

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. Going Concern

There are no material uncertainties about the charity's ability to continue and the Trustees believe that it is appropriate for the financial statements to be drawn up on a going concern basis.

3. Income from Investments

	Unrestricted Funds	Restricted Funds	2025	2024
	£	£	£	£
Interest on Cash Balances	2,383	-	2,383	543
	£2,383	£-	£2,383	£543

The 2024 total of £543 related wholly to Restricted Funds.

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2025

4. Income from Grants, Donations & Legacies

	Unrestricted Funds £	Restricted Funds £	2025 £	2024 £
Grant Income				
Arts Council England – National Portfolio Organisation	100,000	-	100,000	100,000
Arts Council England – Durham Cultural Partnership	-	-	-	10,000
Creative Lives – Know Your Neighbourhood	-	-	-	10,000
Durham CC - 3 Towns AAP Match	-	-	-	5,000
Durham CC – Cultural Durham Website	-	10,000	10,000	-
Durham CC COMF Dene Valley	-	-	-	(1,000)
Durham CC Cultivate Commissions	-	36,435	36,435	-
Durham CC Culture, Sport & Tourism - Social Prescribing	-	-	-	10,000
Durham CC Place Labs	-	72,720	72,720	-
Esmee Fairbairn Foundation	62,405	-	62,405	59,104
Garfield Weston Foundation	-	-	-	20,000
N Pennines AONB Partnership - Farming In Protected Landscapes	-	-	-	9,345
National Heritage Lottery Fund – Hidden Heritage	-	-	-	(9,158)
Pride In Teesdale	-	7,640	7,640	-
Teesdale AAP Big Arts Project	-	10,000	10,000	-
	162,405	136,795	299,200	213,291
Donations				
Weston Charity Award	6,500	-	6,500	-
General Donations	862	-	862	2,030
	7,362	-	7,362	2,030
	£169,767	£136,795	£306,562	£215,321

Of the 2024 total of £215,321, £180,134 related to Unrestricted Funds and £35,187 to Restricted Funds.

5. Income from Charitable Activities

	Unrestricted Funds £	Restricted Funds £	2025 £	2024 £
Earned Income	23,838	-	23,838	14,993
Other Income	-	-	-	336
	£23,838	£-	£23,838	£15,329

The 2024 total of £15,329 related wholly to Unrestricted Funds.

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2025

6. Expenditure on Charitable Activities

	Unrestricted Funds	Restricted Funds	2025	2024
	£	£	£	£
Direct Costs				
Project Costs	23,779	135,458	159,237	121,668
Marketing, Press & PR Costs	7,914	-	7,914	1,152
Support Costs				
Depreciation	698	2,128	2,826	2,826
Insurance	1,166	-	1,166	948
Other Overhead Costs	5,691	-	5,691	4,569
Premises Costs	6,431	2,449	8,880	9,240
Salaries & On Costs	126,236	19,991	146,227	118,718
Telephone, ICT & Website Costs	3,059	-	3,059	2,911
Governance Costs				
Independent Examination	1,200	-	1,200	1,200
Other Accountancy & Payroll Services	2,163	-	2,163	2,163
	£178,337	£160,026	£338,363	£265,395

Of the 2024 total of £265,395, £127,593 related to Unrestricted Funds and £137,802 to Restricted Funds.

7. Net Income/(Expenditure)

	2025	2024
	£	£
Net income/(expenditure) is stated after charging/(crediting):		
Independent Examiner - Examination Fees	1,200	1,200
Independent Examiner - Other Services	1,680	1,680
Depreciation of Owned Fixed Assets	2,826	2,826

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2025

8. Staff Costs

	2025	2024
	£	£
Gross Salary Costs	134,415	110,348
Employer's National Insurance	8,528	5,730
Employer's Pension Contributions	3,284	2,640
	£146,227	£118,718

	2025	2024
	No.	No.

The average monthly number of staff employed during the year was as follows:	5	4
--	---	---

Artistic Education/Learning Programmes/Management

No employees received remuneration in excess of £60,000 in the year (2024: None).

The total paid to key management personnel, defined as the members of the Management Team, was £37,080 (2024: £40,000).

No remuneration was paid to or waived by Trustees/Directors in the year (2024: £Nil).

No expenses were reimbursed to Trustees (2024: £Nil) in respect of their attendance at meetings of the charity.

9. Pension Scheme

Pension benefits are provided through a Group Personal Pension Scheme, which is a defined contribution scheme. The assets of the scheme are held separately from those of the company in a separately administered fund. In the year to 31 March 2025 Northern Heartlands made an employer's contribution of 3% of pensionable pay, provided that the employee makes a minimum contribution of 5%.

These amounts are paid over to the scheme on a monthly basis.

No contributions were outstanding at 31 March 2025 (2024: £Nil).

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2025

10. Tangible Fixed Assets

	Fixtures & Fittings	IT & Office Equipment	Total Fixed Assets
	£	£	£
Cost			
At 1 April 2024	1,715	7,993	9,708
Additions in year	-	-	-
At 31 March 2025	1,715	7,993	9,708
Accumulated Depreciation			
At 1 April 2024	1,111	4,591	5,702
Charge for year	343	2,483	2,826
At 31 March 2025	1,454	7,074	8,528
Net Book Value			
At 31 March 2025	£261	£919	£1,180
At 1 April 2024	£604	£3,402	£4,006

11. Debtors

	2025	2024
	£	£
Trade Debtors	5,600	-
Accrued Income	3,000	15,345
	£8,600	£15,345

12. Creditors - Amounts Falling Due Within One Year

	2025	2024
	£	£
Trade Creditors	2,460	893
Other Creditors	180	65
Accruals	4,576	2,080
	£7,216	£3,038

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2025

13. Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted Funds	2025	2024
	£	£	£	£
Fixed Assets	1,180	-	1,180	4,006
Debtors	5,600	3,000	8,600	15,345
Cash at Bank and In Hand	55,354	12,077	67,431	59,262
Creditors – Due Within 1 Year	(2,983)	(4,233)	(7,216)	(3,038)
	£59,151	£10,844	£69,995	£75,575

14. Analysis of Charitable Funds

	Fund at 1 April 2024	Income for Year	Expenditure for Year	Fund at 31 March 2025
	£	£	£	£
Unrestricted General Fund	41,500	195,988	(178,337)	59,151
Restricted Funds				
Arts Council England – Durham Cultural Partnership	9,494	-	(6,474)	3,020
Arts Council England – Organisational Development	2,128	-	(2,128)	-
Creative Lives – Know Your Neighbourhood	9,773	-	(9,773)	-
Durham CC – Cultural Durham Website	-	10,000	(5,024)	4,976
Durham CC - Cultivate Commissions	-	36,435	(34,526)	1,909
Durham CC Culture, Sport & Tourism - Social Prescribing	3,335	-	(3,335)	-
Durham CC - Place Labs	-	72,720	(72,720)	-
N Pennines AONB Partnership - Farming In Protected Landscapes	9,345	-	(9,345)	-
Pride In Teesdale	-	7,640	(7,640)	-
Teesdale AAP	-	10,000	(9,061)	939
Total Restricted Funds	34,075	136,795	(160,026)	10,844
Total Funds	£75,575	£332,783	£(338,363)	£69,995

Name of Restricted Fund	Description, Nature & Purpose of the Restricted Fund
Arts Council England – Durham Cultural Partnership	To fund participation in the partnership
Arts Council England – Organisational Development	Towards the costs of organisational development, supporting salaries, paying for a freelance fundraiser, and supporting the purchase of new laptops, mobile phone upgrades and a new photocopier

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2025

14. Analysis of Charitable Funds (Cont.)

Name of Restricted Fund	Description, Nature & Purpose of the Restricted Fund
Creative Lives – Know Your Neighbourhood	Towards the costs of Take Part in Teesdale, a project delivering creative activities for people living with anxiety, depression and loneliness in the former pit villages of Evenwood, Cockfield, Butterknowle and Woodland in Teesdale, Co Durham,
Durham CC - Cultivate Commissions	Towards the costs of Cultivate Commissions, a programme designed to accelerate creative growth for artists, creative practitioners and creative micro-businesses living or working across County Durham
Durham CC – Cultural Durham Website	Towards the costs of the development of the 'Into The Light' website for Cultural Durham
Durham CC – Place Labs	Towards the costs of the Place Lab mission to use art and creativity as enablers and innovators to realise place-shaping, collaborating with communities at a hyper-local level across the county to enable more people to fully participate in civil society and shape the future of their place.
Durham CC Culture, Sport & Tourism - Social Prescribing	Towards the costs of continuing creative health sessions with the Four Clocks Group in Bishop Auckland and supporting the group to become an independent entity.
Hidden Heritage - NLHF/Willington TC/DCC AAP Three Towns	To fund a programme of heritage themed creative activities and events with school children, community groups and individuals with wellbeing outcomes; culminating in a large-scale event in 2025 in Willington.
Pride In Teesdale	Towards the costs of engagement in activities that build confidence, understanding and acceptance of LGBTQ+ and increase the number of opportunities for LGBTQ+ in Teesdale

15. Related Party Transactions

Details of transactions with Trustees are disclosed in Note 7.

There were no other transactions in the year with related parties, such as are required to be disclosed under the Financial Reporting Standard for Smaller Entities (Effective April 2008). (2024: None)

16. Financial Commitments

No material financial commitments have been made in respect of future financial years.

NORTHERN HEARTLANDS

England & Wales - Charity number 1186306

Accounts

Registered Charity Number 1186306

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)

REPORT AND ACCOUNTS
For the year ending 31 March 2024

**NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2024
TRUSTEES' REPORT**

As the Board of Trustees, we present our report and financial statements for the year to 31 March 2024.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity Number	1186306
Registered Office	3 Witham Studios, Hall Street, Barnard Castle DL12 8JB
Independent Examiner	Mr P O'Hara FCA, Chartered Accountant, 26 La Sagesse, Jesmond, Newcastle upon Tyne NE2 3AF

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

Northern Heartlands CIO was established as a Charitable Incorporated Organisation (CIO) on 13 November 2019. As a CIO it is governed by its constitution.

Structure and Governance/ Board of Trustees

The charity currently has a board of five non-executive Trustees.

The Trustees of Northern Heartlands CIO during the year and to the date of signing this report were as follows:

Mr A M J Harrington
Mrs J Irving (nee Hartley)
Mrs A Tutin
Ms K Wilson - Resigned 23 January 2024
Mr G D Young

Recruitment and Appointment of Board of Trustees

No new Trustees were appointed during the year, but Trustees continued to consider the question of recruitment of additional board members. A Trustee Skills Matrix was completed and the Board remains committed to increasing its number and diversity.

Trustee Induction and Training

Trustees are provided with a range of resources to support their understanding of Northern Heartlands' activities and outlining Trustee duties and responsibilities.

Management

Day-to-day operation of the charity is delegated to the Director, Jill Cole.

**NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2024
TRUSTEES' REPORT**

OBJECTIVES AND ACTIVITIES

Charitable Purpose, Aims & Objectives

Northern Heartlands is a place-based cultural organisation delivering a range of arts, heritage & creative projects with communities across South & West Durham. It also operates at a strategic level with cross-sectoral partners, promoting community engagement through creativity to support a range of agendas. Activity is focussed within three main strands: health and wellbeing, community capacity and landscape and environment.

The principal object of the charity is "to advance the education of the public in the subject of the arts through the provision of seminars and workshops".

Throughout the year, and in relation to the purposes above, Northern Heartlands has achieved the following:

- 74 participatory workshops delivered
- 786 participants actively engaged
- 22 freelance artists employed
- 5 events with total audiences of 1100

We have delivered work in partnership with 6 other organisations: Teesdale Special Flora Trust, Curious Arts, Emergency Exit Arts, Bridge Creative, Teesdale Community Resources and Teesdale YMCA and worked strategically with Durham County Council, Culture Durham, North East Culture Partnership, North Pennines National Landscapes and Creative Health UK.

Vision, Mission & Values

Northern Heartlands' Vision is for strong, connected, and healthy local communities, where people are actively involved in shaping their lives and their environment.

Northern Heartlands' Mission is to engage and support local people and communities by using creativity to develop agency, build social capital and foster individual potential.

We aim to achieve this mission by:

- Recognising that each place we work in, and each community we work with, is unique
- Working with creative practitioners in everything we do
- Ensuring we always work collaboratively with communities
- Always reviewing, learning from and adapting our approach and sharing our learning with others
- Supporting artists and creative practitioners to reach their full potential
- Working in partnership

In terms of Values, we want to be:

- Committed - to what we do, to each other to those we work with
- Trusted - by each other and by those we work with
- Dignified - in our own actions and by respecting the dignity of everyone we work with
- Ambitious - for ourselves, for our organisation and for the places, the communities, and the individuals we work with
- Authentic - in all of our actions
- Humble - in respecting and valuing the opinions and beliefs of others

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2024
TRUSTEES' REPORT

OBJECTIVES AND ACTIVITIES (CONTINUED)

Public Benefit

The Trustees understand and have discussed the implications of the provisions of the Charities Act 2006, which requires all charities to be able to demonstrate that they are established for public benefit and have had due regard to the public benefit guidance issued by the Charity Commission.

The Trustees believe that the charity meets both of the key principles.

Principle 1 - There must be an identifiable benefit, or benefits

The benefits from our work are:

- Increased wellbeing for individuals of all ages and backgrounds, and particularly for those living in areas of socio-economic deprivation and/or deeply rural areas in South West Durham
- Increased community cohesion in our area of benefit
- Increased awareness of environmental issues relevant to our local area

Principle 2 - Benefit must be to the public, or a section of the public

Each element of our work is able to provide benefit to the public in general.

Reserves Policy

The Trustees have reviewed the charity's needs for reserves in line with the guidance issued by the Charity Commission.

The Trustees aim to firstly hold a level of unrestricted Reserves which enables the charity to have sufficient financial resources to meet various liabilities which would crystallise if Northern Heartlands' funding were to be withdrawn and/or it were unable to continue operating.

At present, the Trustees estimate that the Unrestricted Reserves required for such purposes amount to approximately £30,000.

If possible, the Trustees then aspire to retain an additional allowance of £10,000 to £20,000 to enable the charity to respond flexibly to issues or appropriate initiatives which might be identified outside of its annual budgeting process.

The required level of Reserves is therefore in the range of £40,000 to £50,000.

Northern Heartlands currently has total Unrestricted Reserves of £41,500 at 31 March 2024. Free Reserves, defined as Unrestricted Funds minus any Designated Funds minus the value of Tangible Fixed Assets are £40,965.

The Reserves Policy is re-visited by the Board annually in the light of progress against budget and is updated at the time of drafting the annual accounts.

Investment Policy

The charity has the power under its constitution to make any investment which the Trustees see fit.

**NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2024
TRUSTEES' REPORT**

OBJECTIVES AND ACTIVITIES (CONTINUED)

Risk Management

The Trustees of the charity regularly review the major governance, operational and financial risks which the charity faces as part of its annual business planning process and confirm that systems have been established to mitigate these risks.

Northern Heartlands has a risk management strategy in place that comprises:

- A rotational review of the strategic risks the charity may face
- the establishment of systems and procedures to mitigate identified risks
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

The Trustees are satisfied that appropriate financial systems and controls are in place, together with appropriate employment policies and practices.

The Trustees consider the key risks facing the charity at this time and the mitigating actions taken to be as follows.

- Sustainability of the Board - Three of our board members have been in post since the start of the charity (2019) and Trustees' term of office is limited to 3 x 3 years. Succession planning for Board Members is underway with an active Trustee recruitment strategy in place
- Size and diversity of the Board - A Trustee recruitment process is underway, following a skills audit. The charity aims to have a board of between 4-7 people by the end of the financial year 2024/25.

The Trustees also manage the general financial risks by ensuring that:

- prudent budgets are set for each financial year
- the charity maintains a low cost-base

ACHIEVEMENTS AND PERFORMANCE

Summary of the Charity's Main Achievements During the Year

2023-24 was Northern Heartlands' first year as an Arts Council National Portfolio Organisation (NPO), which has meant a period of stability and growth for the charity. Together with unrestricted funding from the Esmée Fairbairn Foundation and additional core funding from the Garfield Weston Foundation, our core costs (staffing and office overheads) were fully covered, we were able to reverse our negative reserves position and the charity was able to maintain a clearer focus on activity that directly supported our Vision and Mission and our charitable objects throughout the year.

The year saw the departure of Anna Collins, Project Development Manager, who had been with the organisation since its inception as a Great Place Scheme in 2017. Naomi Priestly, Project Officer with our Teesdale Special Flora project Plants on the Edge also left the organisation. We were joined in October by Katy Milne in a new Senior Manager role; Katy brings with her a wealth of experience working in the culture sector both locally and internationally and is proving a great asset. And early in 2023/24 we also took on a fourth staff member, Lyndsey Middleton, joining us from Darlington Hippodrome as our new Creative Communities Co-ordinator.

**NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2024
TRUSTEES' REPORT**

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Summary of the Charity's Main Achievements During the Year (Cont.)

Creativity continues to be at the heart of everything we do. Activity was delivered within three strands or areas of focus: Health & Wellbeing, Connected Communities and Landscape & Environment, with the Director also having capacity to undertake a more strategic role within the wider arts and culture sector and to play a key role within that sector in County Durham and the North East region.

Health and Wellbeing

We continued to engage professional artists to deliver weekly crafting sessions at The Four Clocks Centre in Bishop Auckland for people living with anxiety, depression, loneliness and other mild mental health conditions including autism, building on work in 2022-3 that had been funded by believe housing. Funding was secured from Bishop Auckland AAP and from Durham County Council. No charge was made for workshops and free transport was provided if required. Membership of the group increased steadily, with some regulars attending weekly and others joining and leaving at various times throughout the year. Attendance averaged 12 per session, and the total number of participations throughout the year was 569. We employed a support worker to help with admin and wellbeing support and engaged a total of 12 professional artists who led the sessions and developed skills in textiles, woodworking, animation, printing, jewellery-making, glass painting and pottery.



The group took part in a visit to the National Glass Centre in Sunderland in September 2023 and in December group members hosted a Christmas sale of work they had created at The Four Clocks Centre.

Two short videos were created to promote the activity of the group and amplify the impact of the work on some of the individual participants:

[crafty crafters \(youtube.com\)](https://www.youtube.com/c/craftycrafters)
https://youtu.be/UWeBy_LnhU

The activity at Four Clocks has informed conversations with Alice Thwaite, regional lead for Creative Health UK; in November 2023 NH Director Jill Cole co-delivered a workshop as part of Durham County Council's Public Health Review: 'Better Health through Culture', and we continue to make the case regionally and nationally for creative health and creative social prescribing.

NORTHERN HEARTLANDS CIO (A CHARITABLE INCORPORATED ORGANISATION) YEAR ENDED 31 MARCH 2024 TRUSTEES' REPORT

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Summary of the Charity's Main Achievements During the Year (Cont.)

Our work focussing on health and wellbeing outcomes through creativity informed a bid to the 'Know Your Neighbourhood' fund and in December 2023 we were awarded £10,000 through Creative Lives to deliver a series of creative workshops for those living with loneliness in some of the former pit villages of Teesdale. This activity will take place in the 2024/25 financial year.

A further project focussing on wellbeing outcomes that completed this year was 'Hidden Heritage' – a wide-ranging programme of work focussing on the community heritage of Willington and surrounding villages. Work in schools, with community groups and in the local care home culminated in an event in July celebrating the heritage of the local area and the impact of engaging with local heritage on wellbeing. The event was delivered in partnership with Emergency Exit Arts and local charity Bridge Creative and included a parade by school children from five local primary schools each representing a chapter from the town's history.

The project was evaluated by researchers from the University of Birmingham and the final report is available to read here: [627b35_d857c078b41e47ec855e4bf708795800.pdf northernheartlands.org](https://627b35_d857c078b41e47ec855e4bf708795800.pdf.northernheartlands.org).

An *ad hoc* website documenting the Hidden Heritage project has been created and is now live; it will be officially launched in June 2024: www.hidden-heritage.com.

Connected Communities

The year saw two events held at the TCR Hub (community venue) in Barnard Castle, in May and September, in partnership with Teesdale Community Resources (TCR), Teesdale YMCA and Curious Arts, who were commissioned to deliver Creative Youth Challenge workshops. Events were aimed at young people (13-25) exploring gender and identity and the second, larger event also included more family-oriented activities. The work responded to evidence that young people in rural communities have much less access to activities and groups aimed specifically to benefit LGBTQ+.



NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2024
TRUSTEES' REPORT

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Summary of the Charity's Main Achievements During the Year (Cont.)

Feedback from young people who attended included:

- *I felt a bit anxious because I didn't know what to expect*
- *I feel so welcomed and I wish I felt like this all the time <3*
- *Everyone had a smile on their face and was kind*
- *There was no judgement and It was nice how they asked about pronouns.*
- *I felt very included*
- *All the adults were very kind. This made me happy. I did not have a panic attack*

Twelve young people attended the first event in May and there was a resounding call for more, similar type of activity. Partners responded with a follow-up event, again at TCR Hub, in September, which attracted 21 young people plus some family groups. With strong evidence of need for more activity for LGBTQ+, we have supported Teesdale YMCA in submitting a bid to Arts Council Project Grants for a wider and more developed programme of work in 2024.

In May, we concluded our Paul Hamlyn Foundation-funded project 'Turning the Hourglass' with a Speaker & Discussion event held at The Witham Arts Centre, Barnard Castle. With the strap-line 'Creativity and a Place-based approach to community empowerment', the event included speakers from 'Local', 'On Our Radar', The Auckland Project and Durham County Council, group discussions and a shared creative activity. The afternoon aimed to explore the role that culture, creativity and heritage can play in inspiring communities to challenge existing power structures and influence decision-making.

The event followed an eighteen-month period of creative activity with the post-industrial and deeply deprived community of Dene Valley parish, near Bishop Auckland which had seen support for two winter light parades and the formation of the Lennox Youth Committee which we had



hoped would mark the start of community-led arts activity going forward. Sadly, the community were unable to maintain a commitment to leading on this, but we have had conversations with two Dene Valley Parish Councillors since and remain hopeful that the work we began with the community there will have a lasting impact and legacy.

Meanwhile, we began to develop links with community leaders in the village of Coundon, exploring with stalwart committee members of the Coundon & Leeholme Village Hall how we might support and work with the wider community there. Leaders identified gaps in audiences for activities

that happen in the hall, echoing frustrations articulated by the Chair of Witton Park Village Hall during our previous projects with that small community. We have made the decision to respond to both villages by starting a period of longer-term investment and creative enquiry and are looking forward to beginning this work in earnest in 2024-5.

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2024
TRUSTEES' REPORT

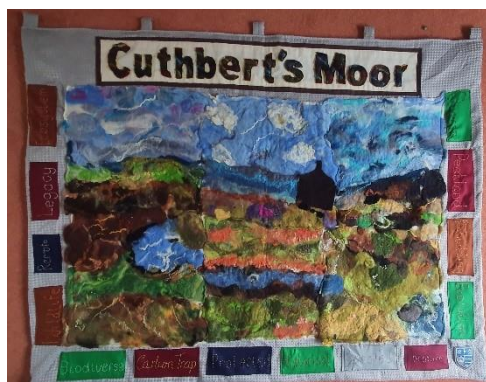
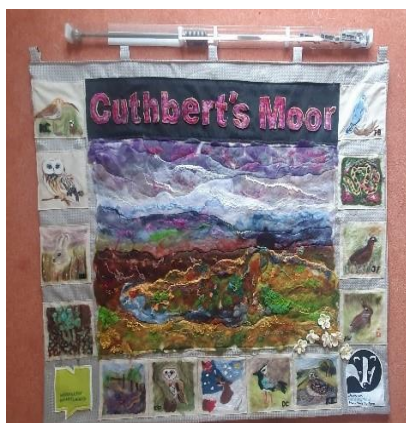
ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Summary of the Charity's Main Achievements During the Year (Cont.)

Finally, we are delighted to have been commissioned by Durham County Council to lead on two strands of work as part of the major ACE-funded Place Partnership Programme Into The Light. A strong fit with our own Connected Communities strand of work, we will be leading on 'Cultivate Commissions' and 'Place Lab' which will see investment in the shape of small grants to creative practitioners for the former, and creative-led activity in Shildon and the Durham Dales as part of the latter. The work will see us delivering in partnership with Redhills Durham and No More Nowt.

Landscape & Environment

We were pleased to have the opportunity to work with Durham Wildlife Trust on a small project focussing on Cuthbert's Moor – an area of Upper Teesdale recently acquired by the Trust where they are undertaking a programme of nature restoration and conservation. The project saw groups from UTASS in Middleton-in-Teesdale and students from Teesdale School working with felt artist Claire Priestley to create two impressive wall hangings inspired by the colours and textures of the landscape.



We applied and were awarded funding from DEFRA's Farming in Protected Landscapes scheme; in 2024-25 the project will see an extension of the work we undertook with the Teesdale Special Flora Trust, working with artists in 4 primary schools in Teesdale to raise their awareness of the globally unique and threatened flora of Upper Teesdale.

Sector Development

Northern Heartlands continues to play a key role in the culture sector across County Durham and the North East region. Director Jill Cole sits on the board of the North East Culture Partnership and co-chairs the interim Advisory Group of Culture Durham, the Durham Cultural Partnership and is the arts representative on the board of Tees-Swale: Naturally Connected, an £8m programme focussing on high nature value farming in Upper Teesdale and Swaledale, N.Yorkshire.

Both Jill and Katy are leading on the two strands of the county's Place Partnership programme, 'Into the Light', and as co-chair of Culture Durham Jill is a member of the small Executive Board overseeing delivery of the wider Into the Light £5m programme.

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2024
TRUSTEES' REPORT

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Summary of the Charity's Main Achievements During the Year (Cont.)

Board and Organisational Development

Trustees and staff undertook training in Equity, Diversity and Inclusion early on in the year. Trustees have updated policies and procedures as part of a rolling programme and continue to support the organisation in many ways.

The Board is aware of the need to expand its membership, and 2024-5 will see a more proactive approach to board recruitment, remaining aware of the need to include a diversity of voices around the table including that of lived experience.

Financial Review

The outturn for the year is an unrestricted surplus of £68,413 (2023: deficit of £9,778), leaving Unrestricted Funds at 31 March 2024 of £41,500.

FUTURE PLANS

The organisation is in a more stable financial position than it has been since its establishment as an independent CIO. With new staff on board and within the context of ambitious plans for culture in County Durham, the future for Northern Heartlands as a key player in the cultural ecology of the county and the North East region is looking optimistic.

The coming year will see activity developed across all three strands of delivery, with a particular focus on 'Connected Communities'.

We have secured contracts to deliver two key elements of County Durham's £6m Place Partnership programme 'Into The Light' (Cultivate Commissions in partnership with No More Nowt and the flagship Place Lab programme in partnership with No More Nowt and Redhills Durham).

We will also be developing our own programme of work with communities in the villages of Coundon and Witton Park. Health and Wellbeing outcomes will continue to be a key focus, and we plan to use the impact of the work we have evidenced to date in this field (through the programme with the Four Clocks group) to influence the development of Creative Health strategies regionally and nationally.

Finally, in our 'Landscape & Environment' strand of work, we are delighted to have secured a contract with the Yorkshire Dales National Park Authority to produce a year-long programme of work with four artists as part of the wider £8m Tees-Swale Creatively Connected programme. This will take place in in years 2024-25 and 2025-26.

Northern Heartlands will continue to play a leading role in the sector with Director Jill Cole co-chairing the Culture Durham Partnership and on the board of the North East Culture Partnership.

**NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2024
TRUSTEES' REPORT**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for managing the business of the charity and may exercise all the powers of the charity unless restricted by the Charities Act or the constitution of the charity.

The Trustees are responsible for the preparation of the financial statements for each financial year which show a true and fair view of the state of affairs of the charity as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year.

In preparation of the financial statements the Trustees should follow best practice and:

1. Select suitable accounting policies and apply them.
2. Make judgements and exercises that are reasonable and prudent.
3. Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charity will continue on that basis.

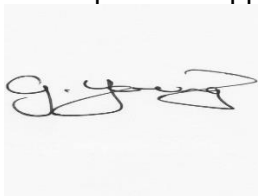
The Trustees are responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charity.

The Trustees are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

DECLARATIONS

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005 by the Charities Commission England and Wales).

This report was approved by the Board of Trustees on 19 July 2024 and signed on its behalf by:



**Graham Young
Trustee/Chair**

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS ON THE UNAUDITED ACCOUNTS OF NORTHERN HEARTLANDS CIO FOR THE YEAR ENDED 31 MARCH 2024

I hereby report to the Trustees/Members of Northern Heartlands CIO (Charity Registration Number 1186728) on the accounts for the year ended 31 March 2024 set out on pages 12 to 22.

Responsibilities and basis of report

As the charity's Trustees (and also its directors for the purposes of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

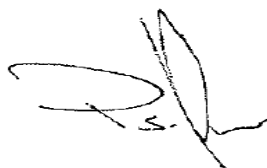
Having satisfied myself that the accounts of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent Examiner's Statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods or principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Pete O'Hara, FCA, Chartered Accountant
Fellow of the Institute of Chartered Accountants in England & Wales
26 La Sagesse, Jesmond, Newcastle upon Tyne NE2 3AF

19 July 2024

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
STATEMENT OF FINANCIAL ACTIVITIES
YEAR TO 31 MARCH 2024

	Note	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
Income					
Income from Investments	3	543	-	543	-
Income from Grants, Donations & Legacies	4	180,134	35,187	215,321	60,357
Income from Charitable Activities	5	15,329	-	15,329	66,267
Total Income		196,006	35,187	231,193	126,624
Expenditure					
Expenditure on Raising Funds	6	-	-	-	5,600
Expenditure on Charitable Activities	7	127,593	137,802	265,395	246,122
Total Expenditure		127,593	137,802	265,395	251,722
Net Income/(Expenditure)	8	68,413	(102,615)	(34,202)	(125,098)
Balance brought forward		(26,913)	136,690	109,777	234,875
Balance carried forward at 31 March	13	£41,500	£34,075	£75,575	£109,777

The notes on pages 14 to 22 form part of the financial statements.

There are no recognised gains and losses during the year other than as shown above

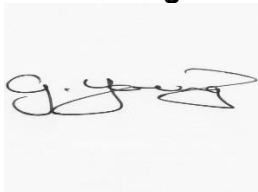
All the activities for the year are continuing activities.

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
STATEMENT OF FINANCIAL POSITION/BALANCE SHEET
At 31 MARCH 2024

	Notes	2024 £	2023 £
Fixed Assets			
Tangible Fixed Assets	11	4,006	3,838
Current Assets			
Debtors	12	15,345	122,596
Cash at Bank and In Hand		59,262	16,433
		<u>74,607</u>	<u>139,029</u>
Creditors:			
Amounts Falling Due Within 1 Year	13	(3,038)	(33,090)
Net Current Assets		<u>71,569</u>	<u>105,939</u>
Total Net Assets		<u>£75,575</u>	<u>£109,777</u>
Represented By:			
Unrestricted Funds	14, 15	41,500	(26,913)
Restricted Funds	14, 15	34,075	136,690
		<u>£75,575</u>	<u>£109,777</u>

The notes on pages 14 to 22 form part of the financial statements.

The financial statements were approved by the Board, and authorised for issue, on 19 July 2024 and signed on its behalf by:



Graham Young
Trustee and Chair

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2024

1. Accounting Policies

Charity Information

Northern Heartlands CIO is a Charitable Incorporated Organisation. The registered office is 3 Witham Studios, Hall Street, Barnard Castle DL12 8JB.

The charity is a public benefit entity.

Basis of Accounting

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Statement of Recommended Practice (Charities SORP FRS 102) "Accounting and Reporting by Charities" and the Charities Act 2011.

The financial statements have been prepared on the historical cost basis, modified to include certain financial instruments at fair value.

Advantage has been taken of the provisions in the SORP for Charities applying FRS 102 Update Bulletin 1 not to prepare a statement of cashflows.

The financial statements are prepared in sterling, which is the functional currency of the charity.

Income

All income, including grant income, is included in the Statement of Financial Activities (SOFA), net of VAT, when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Such income is only deferred when the donor or funder has specified that the grant or donation can only be used in future accounting years or where the donor or funder has imposed conditions which must be met before the charity has unconditional entitlement.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Income from Investments

Interest receivable on fixed interest securities and bank deposits is included on an accruals basis.

Expenditure

All expenditure is accounted for on an accruals basis and is recognised when a liability is incurred.

- Costs of Raising Funds are those costs of seeking potential funders and applying for funding.
- Charitable activities include expenditure associated with the provision of grant funding, research, advocacy and the direct provision of creative learning-related activities. This includes both the direct costs and support costs relating to these activities.

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2024

1. Accounting Policies (Cont.)

Expenditure (Cont.)

- Support or Indirect costs are those costs incurred in support of the charitable objectives. These have been allocated to the resources expended on a consistent basis that fairly reflects the true use of those resources within the organisation, such as allocating staff costs by time spent and other costs by their usage.
- Governance costs are those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Operating Leases

The charity classifies the lease of certain printing equipment as operating leases as the title to the equipment remains with the lessor. Rental charges are charged against income on a straight-line basis over the year of the lease.

Tangible Fixed Assets and Depreciation

Depreciation is provided on the fixed assets at rates calculated to write off the assets over their remaining useful lives as follows:

Office & ICT Equipment	– over 5 years
Fixtures & Fittings	– over 5 years

A full year's depreciation charge is applied in the year of acquisition and no charge is made in the year of disposal.

Impairment of Fixed Assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Fund Accounting

The charity has a number of restricted income funds to account for situations in which a funder requires that a grant must be spent on a particular purpose or where funds have been raised for a specific purpose. The aim and use of each restricted fund is set out in Note 13 to the financial statements.

All other funds are considered Unrestricted Funds and are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2024

1. Accounting Policies (Cont.)

Taxation

Northern Heartlands CIO is a registered charity and, as such, is not liable to taxation on its income in the current year.

Pensions

Northern Heartlands contributes to a defined contribution pension scheme. Further details can be found in Note 9.

For the defined contribution scheme, the amount charged to the Statement of Financial Activities in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' of FRS102 to all its financial instruments.

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. Going Concern

With unrestricted funds of £300,000 from Arts Council England National Portfolio Organisation funding and £185,500 from the Esmée Fairbairn Foundation secured for the next three years from 2023/24, there are no material uncertainties about the charity's ability to continue and the Trustees believe that it is appropriate for the financial statements to be drawn up on a going concern basis.

3. Income from Investments

	Unrestricted Funds	Restricted Funds	2024	2023
	£	£	£	£
Interest on Cash Balances	543	-	543	-
	£543	£-	£543	£-

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2024

4. Income from Grants, Donations & Legacies

	Unrestricted Funds £	Restricted Funds £	2024 £	2023 £
Grant Income				
Arts Council England – National Portfolio Organisation	100,000	-	100,000	-
Arts Council England – Dene Valley Winter Light Parade	-	-	-	27,035
Arts Council England – Durham Cultural Partnership	-	10,000	10,000	-
Arts Council England – Organisational Development	-	-	-	26,722
Bishop Auckland Area Action Partnership – Social Prescribing	-	-	-	12,275
Creative Lives – Know Your Neighbourhood	-	10,000	10,000	-
Durham CC - 3 Towns AAP Match	-	5,000	5,000	-
Durham CC COMF Dene Valley	(1,000)	-	(1,000)	-
Durham CC Reading Project	-	-	-	(7,500)
Durham CC Culture, Sport & Tourism - Social Prescribing	-	10,000	10,000	-
Esmee Fairbairn Foundation	59,104	-	59,104	-
Garfield Weston Foundation	20,000	-	20,000	-
Historic England – Placemaker Scheme	-	-	-	1,550
N Pennines AONB Partnership - Farming In Protected Landscapes	-	9,345	9,345	-
National Heritage Lottery Fund – Hidden Heritage	-	(9,158)	(9,158)	-
	178,104	35,187	213,291	60,082
Donations				
General Donations	2,030	-	2,030	275
	£180,134	£35,187	£215,321	£60,357

Of the 2023 total of £60,357, £275 related to Unrestricted Funds and £60,082 to Restricted Funds.

5. Income from Charitable Activities

	Unrestricted Funds £	Restricted Funds £	2024 £	2023 £
Earned Income	14,993	-	14,993	66,111
Other Income	336	-	336	156
	£15,329	£-	£15,329	£66,267

Of the 2023 total of £66,267, £56,407 related to Unrestricted Funds and £9,860 to Restricted Funds.

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2024

6. Expenditure on Raising Funds

	Unrestricted Funds	Restricted Funds	2024	2023
	£	£	£	£
Fundraising Consultancy	-	-	-	5,600
	£-	£-	£-	£5,600

The 2023 total of £5,600 related wholly to Restricted Funds.

7. Expenditure on Charitable Activities

	Unrestricted Funds	Restricted Funds	2024	2023
	£	£	£	£
Direct Costs				
Project Costs	16,668	106,152	122,820	99,792
Marketing Costs	-	-	-	1,346
Support Costs				
Depreciation	526	2,300	2,826	1,827
Insurance	948	-	948	910
Other Overhead Costs	4,569	-	4,569	1,888
Premises Costs	9,240	-	9,240	7,440
Salaries & On Costs	89,487	29,231	118,718	126,309
Telephone, ICT & Website Costs	2,792	119	2,911	2,869
Governance Costs				
Independent Examination	1,200	-	1,200	1,200
Other Accountancy Services	2,163	-	2,163	2,541
	£127,593	£137,802	£265,395	£246,122

Of the 2023 total of £246,122, £66,460 related to Unrestricted Funds and £179,662 to Restricted Funds.

8. Net Income/(Expenditure)

	2024	2023
	£	£
Net income/(expenditure) is stated after charging/(crediting):		
Independent Examiner - Examination Fees	1,200	1,200
Independent Examiner - Other Services	1,680	1,680
Depreciation of Owned Fixed Assets	2,826	1,827

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2024

9. Staff Costs

	2024	2023
	£	£
Gross Salary Costs	110,348	116,853
Employer's National Insurance	5,730	6,699
Employer's Pension Contributions	2,640	2,757
	£118,718	£126,309

	2024	2023
	No.	No.
The average monthly number of staff employed during the year was as follows:		
Artistic Education/Learning Programmes/Management	4	4

No employees received remuneration in excess of £60,000 in the year (2023: None).

The total paid to key management personnel, defined as the members of the Management Team, was £40,000 (2023: £40,000).

No remuneration was paid to or waived by Trustees/Directors in the year (2023: £Nil).

No expenses were reimbursed to Trustees (2023: £Nil) in respect of their attendance at meetings of the charity.

10. Pension Scheme

Pension benefits are provided through a Group Personal Pension Scheme, which is a defined contribution scheme. The assets of the scheme are held separately from those of the company in a separately administered fund. In the year to 31 March 2024 Northern Heartlands made an employer's contribution of 3% of pensionable pay, provided that the employee makes a minimum contribution of 5%.

These amounts are paid over to the scheme on a monthly basis.

No contributions were outstanding at 31 March 2024 (2023: £Nil).

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2024

11. Tangible Fixed Assets

	Fixtures & Fittings	IT & Office Equipment	Total Fixed Assets
	£	£	£
Cost			
At 1 April 2023	1,715	4,999	6,714
Additions in year	-	2,994	2,994
At 31 March 2024	1,715	7,993	9,708
Accumulated Depreciation			
At 1 April 2023	768	2,108	2,876
Charge for year	343	2,483	2,826
At 31 March 2024	1,111	4,591	5,702
Net Book Value			
At 31 March 2024	£604	£3,402	£4,006
At 1 April 2023	£947	£2,891	£3,838

12. Debtors

	2024	2023
	£	£
Trade Debtors	-	2,728
Prepayments	-	273
Accrued Income	15,345	119,595
	£15,345	£122,596

13. Creditors - Amounts Falling Due Within One Year

	2024	2023
	£	£
Trade Creditors	893	6,172
Loan	-	20,000
Other Taxes & Social Security Costs	-	2,790
Other Creditors	65	401
Accruals	2,080	3,727
	£3,038	£33,090

In the year to 31 March 2023, the loan was a short-term, unsecured, interest-free loan, approved by the Trustees to cover a short-term cashflow gap in advance of the release of the first instalment of Arts Council England NPO funding, repaid in the first quarter of 2023/24.

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2024

14. Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted Funds	2024	2023
	£	£	£	£
Fixed Assets	535	3,471	4,006	3,838
Debtors	-	15,345	15,345	122,596
Cash at Bank and In Hand	43,343	15,919	59,262	16,433
Creditors – Due Within 1 Year	(2,378)	(660)	(3,038)	(33,090)
	£41,500	£34,075	£75,575	£109,777

15. Analysis of Charitable Funds

	Fund at 1 April 2023	Income for Year	Expenditure for Year	Fund at 31 March 2024
	£	£	£	£
Unrestricted General Fund	(26,913)	196,006	(127,593)	41,500
Restricted Funds				
Arts Council England – Durham Cultural Partnership	-	10,000	(506)	9,494
Arts Council England – Organisational Development	5,652	-	(3,524)	2,128
Bishop Auckland Area Action Partnership – Social Prescribing	9,266	-	(9,266)	-
Creative Lives – Know Your Neighbourhood	-	10,000	(227)	9,773
DCC - 3 Towns AAP Match	-	5,000	(5,000)	-
Durham CC Culture, Sport & Tourism - Social Prescribing	-	10,000	(6,665)	3,335
Hidden Heritage - NLHF/Willington TC/AAP Three Towns	112,756	(9,158)	(103,598)	-
N Pennines AONB Partnership - Farming In Protected Landscapes	-	9,345	-	9,345
Paul Hamlyn Foundation	9,016	-	(9,016)	-
Total Restricted Funds	136,690	35,187	(137,802)	34,075
Total Funds	£109,777	£231,193	£(265,395)	£75,575

Name of Restricted Fund	Description, Nature & Purpose of the Restricted Fund
Arts Council England – Durham Cultural Partnership	To fund participation in the partnership
Arts Council England – Organisational Development	Towards the costs of organisational development, supporting salaries, paying for a freelance fundraiser, and supporting the purchase of new laptops, mobile phone upgrades and a new photocopier

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2024

15. Analysis of Charitable Funds (Cont.)

Name of Restricted Fund	Description, Nature & Purpose of the Restricted Fund
Bishop Auckland Area Action Partnership – Social Prescribing	Towards the costs of delivery of creative social prescribing activity in Bishop Auckland
Creative Lives – Know Your Neighbourhood	Towards the costs of Take Part in Teesdale, a project delivering creative activities for people living with anxiety, depression and loneliness in the former pit villages of Evenwood, Cockfield, Butterknowle and Woodland in Teesdale, Co Durham,
Durham CC Culture, Sport & Tourism - Social Prescribing	Towards the costs of continuing creative health sessions with the Four Clocks Group in Bishop Auckland and supporting the group to become an independent entity.
Paul Hamlyn Foundation	To fund Turning the Hourglass – arts activity with communities in Witton Park and Dene Valley, delivering high quality arts projects and activities in areas that do not typically have access to cultural events and activities to improve confidence and capacity.
Hidden Heritage - NLHF/Willington TC/DCC AAP Three Towns	To fund a programme of heritage themed creative activities and events with school children, community groups and individuals with wellbeing outcomes; culminating in a large-scale event in 2024 in Willington.
N Pennines AONB Partnership - Farming In Protected Landscapes	Towards the costs of the 'Budding Botanists' project, working with four primary schools and three artists to raise awareness of the threatened and globally unique flora of Upper Teesdale.

16. Related Party Transactions

Details of transactions with Trustees are disclosed in Note 7.

There were no other transactions in the year with related parties, such as are required to be disclosed under the Financial Reporting Standard for Smaller Entities (Effective April 2008). (2023: None)

17. Financial Commitments

No material financial commitments have been made in respect of future financial years.

NORTHERN HEARTLANDS

England & Wales - Charity number 1186306

Accounts

Registered Charity Number 1186306

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)

REPORT AND ACCOUNTS
For the year ending 31 March 2023

**NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2023
TRUSTEES' REPORT**

As the Board of Trustees, we present our report and financial statements for the year to 31 March 2023.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity Number	1186306
Registered Office	3 Witham Studios, Hall Street, Barnard Castle DL12 8JB
Independent Examiner	Mr P O'Hara FCA, 4 Stoneyhurst Road West, Gosforth, Newcastle upon Tyne NE3 1PG

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

Northern Heartlands CIO was established as a Charitable Incorporated Organisation (CIO) on 13 November 2019. As a CIO it is governed by its constitution and Articles of Association.

Structure and Governance/ Board of Trustees

The charity currently has a board of five non-executive Trustees.

The Trustees of Northern Heartlands CIO during the year and to the date of signing this report were as follows:

Mr A M J Harrington	
Mrs J Irving (nee Hartley)	
Mrs A Tutin	Appointed 15 February 2023
Ms K Wilson	Appointed 28 October 2022
Mr G D Young	

Recruitment and Appointment of Board of Trustees

A recruitment campaign to increase and diversify the Board was undertaken during the year. This followed a process to identify knowledge and skills gaps within the current Board and the development of a new Trustee Recruitment Policy.

Trustees were pleased to be able to appoint Krystal Wilson, Chair of the recently-formed Lennox Youth Committee in Dene Valley, as a Board Member with 'lived experience' (ie first-hand knowledge of the types of communities that Northern Heartlands works with) and Amanda Tutin, Finance Officer at Visit County Durham, as a first-time Board Member with considerable experience of finance management, specifically at a Local Authority level.

Trustee Induction and Training

Trustees are provided with a range of resources to support their understanding of Northern Heartlands' activities and outlining Trustee duties and responsibilities.

Management

Day-to-day operation of the charity is delegated to the Director, Jill Cole.

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2023
TRUSTEES' REPORT

OBJECTIVES AND ACTIVITIES

Charitable Purpose, Aims & Objectives

Northern Heartlands is a place-based cultural organisation delivering a range of arts, heritage & creative projects with communities across South & West Durham. The charity also operates at a strategic level with cross-sectoral partners, promoting community engagement through creativity to support a range of agendas, from health and wellbeing to planning, the environment & tourism.

The principal object of the charity is "To advance the education of the public in the subject of the arts through the provision of seminars and workshops".

In relation to the purposes above, the charity has undertaken the following activity in the period:

- An ongoing programme of arts-based workshops and activities for people in the Bishop Auckland area living with depression, anxiety, loneliness and/or poor mental health.
- Community development and arts access with communities living in two 'Category D' former mining villages
- A partnership environmental project working with artists in schools to raise awareness of the unique flora of Upper Teesdale
- Development of a major community heritage and wellbeing project in the former mining town of Willington

Vision & Mission

Northern Heartlands' Vision is for strong, connected, and healthy local communities, where people are actively involved in shaping their lives and their environment.

Northern Heartlands' Mission is to engage and support local people and communities by using creativity to develop agency, build social capital and foster individual potential.

We aim to achieve this mission by:

- Recognising that each place we work in, and each community we work with, is unique
- Working with creative practitioners in everything we do
- Ensuring we always work collaboratively with communities
- Always reviewing, learning from and adapting our approach and sharing our learning with others
- Supporting artists and creative practitioners to reach their full potential
- Working in partnership

Values

We aspire to be:

- Committed - to what we do, to each other to those we work with
- Trusted - by each other and by those we work with
- Dignified - in our own actions and by respecting the dignity of everyone we work with
- Ambitious - for ourselves, for our organisation and for the places, the communities, and the individuals we work with
- Authentic - in all of our actions
- Humble - in respecting and valuing the opinions and beliefs of others

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2023
TRUSTEES' REPORT

OBJECTIVES AND ACTIVITIES (CONTINUED)

Public Benefit

The Trustees understand and have discussed the implications of the provisions of the Charities Act 2006, which requires all charities to be able to demonstrate that they are established for public benefit and have had due regard to the public benefit guidance issued by the Charity Commission.

The Trustees believe that the charity meets both of the key principles.

Principle 1 - There must be an identifiable benefit, or benefits

The benefits from our work are:

- Increased wellbeing for individuals of all ages and backgrounds, and particularly for those living in areas of socio-economic deprivation and/or deeply rural areas in south west Durham
- Increased community cohesion in our area of benefit

Principle 2 - Benefit must be to the public, or a section of the public

Each element of our work is able to provide benefit to the public in general.

Reserves Policy

The Trustees have reviewed the charity's needs for reserves in line with the guidance issued by the Charity Commission.

The Trustees aim to firstly hold a level of unrestricted Reserves which enables the charity to have sufficient financial resources to meet various liabilities which would crystallise if Northern Heartlands' funding were to be withdrawn and/or it were unable to continue operating.

At present, the Trustees estimate that the Unrestricted Reserves required for such purposes amount to approximately £30,000.

If possible, the Trustees then aspire to retain an additional allowance of £10,000 to £20,000 to enable the charity to respond flexibly to issues or appropriate initiatives which might be identified outside of its annual budgeting process.

The required level of Reserves is therefore in the range of £40,000 to £50,000.

Northern Heartlands currently has negative total Unrestricted Reserves of £(26,913) at 31 March 2023. Free Reserves, defined as Unrestricted Funds minus any Designated Funds minus the value of Tangible Fixed Assets are £(27,977).

However, the charity has been awarded unrestricted funding for 2023-2026 from the following: Arts Council England NPO Investment (£300,000) and Esmée Fairbairn Foundation (£185,500), which should enable the charity to reach its aspirational level of Reserves over the next 2-3 years to hold sufficient to cover its liabilities and to enable it to continue to respond flexibly.

The Trustees regularly review specific liabilities at each Board meeting. The Reserves Policy is revisited by the Board annually in the light of progress against budget and is updated at the time of drafting the annual accounts.

**NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2023
TRUSTEES' REPORT**

OBJECTIVES AND ACTIVITIES (CONTINUED)

Investment Policy

The charity has the power under the Memorandum and Articles of Association to make any investment which the Trustees see fit.

Risk Management

The Trustees of the charity regularly review the major governance, operational and financial risks which the charity faces as part of its annual business planning process and confirm that systems have been established to mitigate these risks.

Northern Heartlands has a risk management strategy in place that comprises:

- an annual review of the strategic risks the charity may face via the business plan
- the establishment of systems and procedures to mitigate identified risks
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

The Trustees are satisfied that appropriate financial systems and controls are in place, together with appropriate employment policies and practices.

The Trustees consider the key risks facing the charity at this time and the mitigating actions taken to be as follows.

- The lack of Unrestricted Funds which, if not addressed, threatens the solvency and viability of the charity – fundraising and budgeting for 2022/23 has been focussed upon addressing this as a priority
- Shortage of resources, both financial and human - grants are applied for to establish a more robust organisation, supporting additional salaried positions

The Trustees also manage the general financial risks by ensuring that:

- prudent budgets are set for each financial year
- the charity maintains a low cost-base

ACHIEVEMENTS AND PERFORMANCE

Summary of the Charity's Main Achievements During the Year

At the start of the year, Northern Heartlands was still in a precarious financial position due in part to the impact of the Covid pandemic, and in part as a new charity committed to retaining a proportion of the overheads and infrastructure of its previous role as a £1.8m funded Great Place Scheme.

The risks inherent in this continued to be highlighted throughout the year to the Board by external accountant and independent examiner Pete O'Hara.

**NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2023
TRUSTEES' REPORT**

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Summary of the Charity's Main Achievements During the Year (Cont.)

In addition to funding secured in the previous financial year (£174k for 'Hidden Heritage and Wellbeing in Willington' from the National Lottery Heritage Fund and £76k for 'Turning the Hourglass' – a programme of arts activity with communities in Witton Park and Dene Valley - from the Paul Hamlyn Foundation), funds were also secured from Believe Housing Association (£9,360) and Bishop Auckland Area Action Partnership (£12,275) for delivery of creative social prescribing activity in Bishop Auckland.

Northern Heartlands continued to play a key role in the cultural sector in the North East, with Director Jill Cole remaining on the boards of Culture Durham and the North East Culture Partnership as well as being the 'arts representative' on the advisory board of TeesSwale: Naturally Connected, an £8.5m North Pennines AONB Partnership nature recovery programme.

Activity Highlights

Health and Wellbeing

Creative Social Prescribing

A one-year partnership programme delivering social prescribing activities in Middleton-in-Teesdale, Barnard Castle and Crook came to an end in June 2022. The project was funded by the National Academy for Social Prescribing (NASP) through Arts Council England's Thriving Communities programme. Northern Heartlands worked with partners UTASS, TCR Hub and Jack Drum Arts, and oversaw the delivery of regular weekly workshops for people in the Durham Dales and Crook living with depression, anxiety, loneliness and poor mental health.

A full evaluation of the project is available [here](#).

The project was awarded £50,000 from the ACE Thriving Communities Fund, with an additional £20,000 from Durham County Council (DCC) and £5,000 from County Durham Community Foundation (CDCF).

Between May 2021 and June 2022, the partners:

- delivered 131 activity sessions at three venues, available to people living in the rural communities of Teesdale and Weardale, and people in and around the towns of Crook and Bishop Auckland;
- established a new working partnership with Social Prescribing Link Workers (SPLWs) from Durham Dales Health Federation, who were able to refer patients into the programme;
- established a broader network across the area linking community organisations, health sector organisations and Durham County Council;
- hosted a new Reading Scheme worker for Tow Law, funded by Anne Cleeves and Durham County Council (separately evaluated);

A total of 158 participants benefited from the project with 1066 engagements.

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2023
TRUSTEES' REPORT

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Summary of the Charity's Main Achievements During the Year (Cont.)

Following the success of the Thriving Communities project, NH secured funding from Believe Housing of £9,360 for a 6-month programme of creative weekly sessions at the Four Clocks Centre in Bishop Auckland. A social return on investment survey calculated that an increase in wellbeing for participants of the programme was valued at £122,386 – a return of 1:14. Many of the participants described the weekly sessions, led by a range of professional artists and supported by a MHFA-trained Support Worker, as 'a lifeline.' A total of 27 people accessed the group, with a core of 12 regular attendees many of whom are still coming to the sessions. For some, the weekly session was the only time they left their home. Regular referrals were made by Durham Dales Federation Social Prescribing Link Workers.

Hidden Heritage and Wellbeing in Willington

This 18-month project was funded by the National Lottery Heritage Fund in 2021-22 with investment of £174,386. Match funding of a further £20,000 was offered by Greater Willington Town Council and the Three Towns Area Action Partnership Neighbourhood Fund.

Following a period of development, the project was launched with an event in Willington coinciding with the Queen's Platinum Jubilee, with 70 volunteers taking part in a ceremonial beacon lighting event on Willington Town Green.

The multi-stranded project included creative workshops in five primary schools, community workshops using printing techniques in the local Care Home and in various community settings, and the development of a digital heritage trail with an amateur local historian. The project (ongoing) is being evaluated by a team from Birmingham University specialising in the links between community heritage and wellbeing. A partnership has been established with London-based Emergency Exit Arts and local events organisation Bridge Creative, (providing employment opportunities for learning disabled adults), to develop a major celebratory event for the community of Willington at the end of the project in July 2023.

Film-maker Oliver Smith was commissioned to document the project; footage to date includes the following record of EEA's preliminary visit to the town and the primary school workshop sessions.
[Starting the Journey to the Finale Event - YouTube](#)
[Time Detectives - YouTube](#)

Community Development

Turning the Hourglass

A two-year programme funded by the Paul Hamlyn Foundation (£76,000). In addition to project delivery, the funding contributed to the salary of NH Project Development Manager.

The project secured additional funding from Arts Council England in 2022-23 for delivery of a second Winter Light Parade in Dene Valley, intended to build skills within the community to be able to create a lantern parade and other festivals for themselves in future. A record of the event is available on YouTube: ["Mayhem, Magic & Majesty", Dene Valley Festive Light Parade 2022 - YouTube](#)

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2023
TRUSTEES' REPORT

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Summary of the Charity's Main Achievements During the Year (Cont.)

The project saw the development of the Lennox Youth Committee by community members in Dene Valley, and in Witton Park the development of a regular new craft group who worked with professional artists contracted by Northern Heartlands. Artist/Researcher Dr Stephen Pritchard who had been working with the Dene Valley community for a period of time prior to PHF funding being secured also completed his delivery by creating two cyanotype panels which now adorn the walls of the Mission Hall in Close House. A second Halloween event was held in Witton Park Community Centre with arts workshops taking place before the event itself. 'Turning the Hourglass' is being independently evaluated by former Northern Heartlands staff member Emily Diamand.

Environment

Plants on the Edge

We continued our partnership with the Teesdale Special Flora Trust as part of the DEFRA Green Recovery Challenge Fund project 'Plants on the Edge'. Northern Heartlands' role in the programme has included employing Volunteer and Engagement Officer Naomi Priestly to deliver the 'connecting people with nature' strand of the project. Pupils from Teesdale School, Barnard Castle School, Middleton-in-Teesdale Primary School and Middleton-in-Teesdale Scouts group took part in workshops with artists Sara Cox and Alex Jakob-Whitworth. Other activities included hosting an exhibition in the Witham Arts Centre Gallery and arranging a series of talks and walks for the general public. Director Jill Cole has continued to support the Trust's governance and attended 12 Trustee meetings throughout the year, working with the eminent botanist Dr Margaret Bradshaw who founded the Trust.

Organisational Development

A grant of £26,722 was awarded by Arts Council England for organisational development. As well as supporting salaries and paying for a freelance fundraiser, the grant also supported purchase of new laptops, mobile phone upgrades and a new photocopier.

Other Activity

Following Durham County Council's bid for City of Culture 2025, Northern Heartlands' Director Jill Cole represented the Culture Durham partnership at regular meetings of an Interim Working Group which was established to oversee spend of the funds awarded to the shortlisted cities/regions.

Financial Review

Whilst we have been successful in securing significant funds for project activity throughout the year, there has been little opportunity to source unrestricted funding for core costs. This is being addressed with further funding applications in the pipeline and a successful bid submitted in May 2022 for Arts Council NPO status.

The outturn for the year is an unrestricted deficit of £(9,778), leaving negative Unrestricted Funds at 31 March 2023 of £(26,913).

**NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2023
TRUSTEES' REPORT**

FUTURE PLANS

With unrestricted funds of £300,000 from Arts Council England National Portfolio Organisation funding and £185,500 from the Esmée Fairbairn Foundation secured for the next three years, as well as a further £20,000 for 2023-24 from the Garfield Weston Foundation for core costs in 2023-24, the charity is now in a position to develop a 3-year activity plan building on the three strands of work highlighted in this report (Health & Wellbeing, Community Development and Environment).

Esmée Fairbairn funding will include supporting a new senior role for the charity, which will also be key to succession planning.

With the Hidden Heritage and Wellbeing and Turning The Hourglass projects coming to an end in the summer of 2023, there will be a focus on securing further project funding for delivery as well as developing the strategic role of the charity.

Teesdale Special Flora Trust's Green Recovery Challenge Fund grant will also come to an end in June 2023 (following a 3-month extension); the TSF Trust has indicated it would like to continue the partnership with Northern Heartlands and project officer Naomi Priestley will be offered a permanent role to deliver on this strand of work.

The Paul Hamlyn Foundation project, Turning the Hourglass, will conclude with a half-day Speaker & Discussion event exploring the impact of cultural place-based approaches, with speakers from regional, national and international organisations taking part.

And going forward, Northern Heartlands will continue to play a key role in the wider cultural ecology of County Durham and the North East.

**NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2023
TRUSTEES' REPORT**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for managing the business of the charity and may exercise all the powers of the charity unless restricted by the Charities Act or the constitution of the charity.

The Trustees are responsible for the preparation of the financial statements for each financial year which show a true and fair view of the state of affairs of the charity as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year.

In preparation of the financial statements the Trustees should follow best practice and:

1. Select suitable accounting policies and apply them.
2. Make judgements and exercises that are reasonable and prudent.
3. Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charity will continue on that basis.

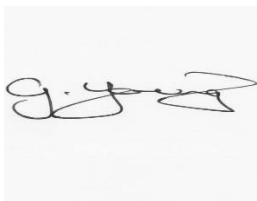
The Trustees are responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charity.

The Trustees are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

DECLARATIONS

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005 by the Charities Commission England and Wales).

This report was approved by the Board of Trustees on 18 August 2023 and signed on its behalf by:



**Graham Young
Trustee/Chair**

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS ON THE UNAUDITED ACCOUNTS OF NORTHERN HEARTLANDS CIO FOR THE YEAR ENDED 31 MARCH 2023

I hereby report to the Trustees/Members of Northern Heartlands CIO (Charity Registration Number 1186728) on the accounts for the year ended 31 March 2023 set out on pages 11 to 21.

Responsibilities and basis of report

As the charity's Trustees (and also its directors for the purposes of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

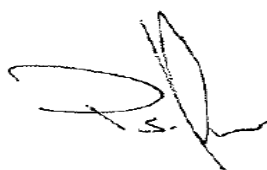
Having satisfied myself that the accounts of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent Examiner's Statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods or principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Pete O'Hara, FCA, Chartered Accountant
Fellow of the Institute of Chartered Accountants in England & Wales

4 Stoneyhurst Road West, Gosforth, Newcastle upon Tyne NE3 1PG

18 August 2023

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
STATEMENT OF FINANCIAL ACTIVITIES
YEAR TO 31 MARCH 2023

	Note	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Income					
Income from Grants, Donations & Legacies	3	275	60,082	60,357	398,838
Income from Charitable Activities	4	56,407	9,860	66,267	33,688
Total Income		56,682	69,942	126,624	432,526
Expenditure					
Expenditure on Raising Funds	5	-	5,600	5,600	-
Expenditure on Charitable Activities	6	66,460	179,662	246,122	225,084
Total Expenditure		66,460	185,262	251,722	225,084
Net Income/(Expenditure)	7	(9,778)	(115,320)	(125,098)	207,442
Balance brought forward		(17,135)	252,010	234,875	27,433
Balance carried forward at 31 March	13	£(26,913)	£136,690	£109,777	£234,875

The notes on pages 13 to 21 form part of the financial statements.

There are no recognised gains and losses during the year other than as shown above

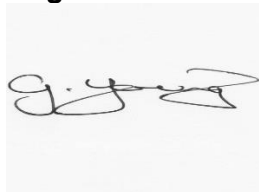
All the activities for the year are continuing activities.

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
STATEMENT OF FINANCIAL POSITION/BALANCE SHEET
At 31 MARCH 2023

	Notes	2023 £	2022 £
Fixed Assets			
Tangible Fixed Assets	10	3,838	1,591
Current Assets			
Debtors	11	122,596	209,886
Cash at Bank and In Hand		16,433	32,964
		<u>139,029</u>	<u>242,850</u>
Creditors:			
Amounts Falling Due Within 1 Year	12	(33,090)	(9,566)
Net Current Assets		<u>105,939</u>	<u>233,284</u>
Total Net Assets		<u>£109,777</u>	<u>£234,875</u>
Represented By:			
Unrestricted Funds	13, 14	(26,913)	(17,135)
Restricted Funds	13, 14	136,690	252,010
		<u>£109,777</u>	<u>£234,875</u>

The notes on pages 13 to 21 form part of the financial statements.

The financial statements were approved by the Board, and authorised for issue, on 18 August 2023 and signed on its behalf by:



Graham Young
Trustee and Chair

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2023

1. Accounting Policies

Charity Information

Northern Heartlands CIO is a Charitable Incorporated Organisation. The registered office is 3 Witham Studios, Hall Street, Barnard Castle DL12 8JB.

The charity is a public benefit entity.

Basis of Accounting

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Statement of Recommended Practice (Charities SORP FRS 102) "Accounting and Reporting by Charities" and the Charities Act 2011.

The financial statements have been prepared on the historical cost basis, modified to include certain financial instruments at fair value.

Advantage has been taken of the provisions in the SORP for Charities applying FRS 102 Update Bulletin 1 not to prepare a statement of cashflows.

The financial statements are prepared in sterling, which is the functional currency of the charity.

Income

All income, including grant income, is included in the Statement of Financial Activities (SOFA), net of VAT, when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Such income is only deferred when the donor or funder has specified that the grant or donation can only be used in future accounting years or where the donor or funder has imposed conditions which must be met before the charity has unconditional entitlement.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Income from Investments

Interest receivable on fixed interest securities and bank deposits is included on an accruals basis.

Expenditure

All expenditure is accounted for on an accruals basis and is recognised when a liability is incurred.

- Costs of Raising Funds are those costs of seeking potential funders and applying for funding.
- Charitable activities include expenditure associated with the provision of grant funding, research, advocacy and the direct provision of creative learning-related activities. This includes both the direct costs and support costs relating to these activities.

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2023

1. Accounting Policies (Cont.)

Expenditure (Cont.)

- Support or Indirect costs are those costs incurred in support of the charitable objectives. These have been allocated to the resources expended on a consistent basis that fairly reflects the true use of those resources within the organisation, such as allocating staff costs by time spent and other costs by their usage.
- Governance costs are those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Operating Leases

The charity classifies the lease of certain printing equipment as operating leases as the title to the equipment remains with the lessor. Rental charges are charged against income on a straight-line basis over the year of the lease.

Tangible Fixed Assets and Depreciation

Depreciation is provided on the fixed assets at rates calculated to write off the assets over their remaining useful lives as follows:

Office & ICT Equipment	– over 5 years
Fixtures & Fittings	– over 5 years

A full year's depreciation charge is applied in the year of acquisition and no charge is made in the year of disposal.

Impairment of Fixed Assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Fund Accounting

The charity has a number of restricted income funds to account for situations in which a funder requires that a grant must be spent on a particular purpose or where funds have been raised for a specific purpose. The aim and use of each restricted fund is set out in Note 13 to the financial statements.

All other funds are considered Unrestricted Funds and are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2023

1. Accounting Policies (Cont.)

Taxation

Northern Heartlands CIO is a registered charity and, as such, is not liable to taxation on its income in the current year.

Pensions

Northern Heartlands contributes to a defined contribution pension scheme. Further details can be found in Note 9.

For the defined contribution scheme, the amount charged to the Statement of Financial Activities in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' of FRS102 to all its financial instruments.

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. Going Concern

The Trustees are aware of the risks inherent in the charity's current position of having negative Unrestricted Funds.

The Trustees have therefore considered and approved a business model and budget through which the charity is seeking to develop new grant funding and income streams to support its planned activities in 2023/24 and beyond.

With unrestricted funds of £300,000 from Arts Council England National Portfolio Organisation funding and £185,500 from the Esmée Fairbairn Foundation now secured for the next three years from 2023/24, the Trustees believe that it is appropriate for the financial statements to be drawn up on a going concern basis.

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2023

3. Income from Grants, Donations & Legacies

	Unrestricted Funds	Restricted Funds	2023	2022
	£	£	£	£
Grant Income				
AAP Durham – Hands That Can	-	-	-	1,566
AAP Three Towns – NLHF Match	-	-	-	5,000
Arts Council England – Dene Valley Winter Light Parade	-	27,035	27,035	-
Arts Council England – Organisational Development	-	26,722	26,722	-
Bishop Auckland Area Action Partnership – Social Prescribing	-	12,275	12,275	-
Durham County Council (DCC) (Culture Sport & Tourism)	-	-	-	20,000
DCC (Public Health)	-	-	-	30,000
DCC COMF Dene Valley	-	-	-	16,123
DCC COVID-19 Support	-	-	-	8,000
DCC Reading Project	-	(7,500)	(7,500)	7,500
Historic England – Placemaker Scheme	-	1,550	1,550	-
National Heritage Lottery Fund – Hidden Heritage	-	-	-	174,386
Paul Hamlyn Foundation	-	-	-	76,000
Thriving Communities	-	-	-	50,000
Willington Town Council – NLHF Match	-	-	-	10,000
	-	60,082	60,082	398,575
Donations				
General Donations	275	-	275	263
	£275	£60,082	£60,357	£398,838

Of the 2022 total of £398,838, £28,263 related to Unrestricted Funds and £370,575 to Restricted Funds.

4. Income from Charitable Activities

	Unrestricted Funds	Restricted Funds	2023	2022
	£	£	£	£
Earned Income	56,251	9,860	66,111	31,188
Love & Soil	-	-	-	2,500
Other Income	156	-	156	-
	£56,407	£9,860	£66,267	£33,688

Of the 2022 total of £33,688, £31,188 related to Unrestricted Funds and £2,500 to Restricted Funds.

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2023

5. Expenditure on Raising Funds

	Unrestricted Funds	Restricted Funds	2023	2022
	£	£	£	£
Fundraising Consultancy	-	5,600	5,600	-
	£-	£5,600	£5,600	£-

6. Expenditure on Charitable Activities

	Unrestricted Funds	Restricted Funds	2023	2022
	£	£	£	£
Direct Costs				
Project Costs	6,969	92,823	99,792	100,430
Marketing Costs	1,346	-	1,346	1,146
Support Costs				
Depreciation	527	1,300	1,827	528
Insurance	910	-	910	890
Other Overhead Costs	1,888	-	1,888	3,293
Premises Costs	548	6,892	7,440	7,440
Salaries & On Costs	47,662	78,647	126,309	106,107
Telephone, ICT & Website Costs	2,869	-	2,869	3,018
Governance Costs				
Independent Examination	1,200	-	1,200	1,200
Other Accountancy Services	2,541	-	2,541	1,032
	£66,460	£179,662	£246,122	£225,084

Of the 2022 total of £225,084, £83,097 related to Unrestricted Funds and £141,987 to Restricted Funds.

7. Net Income/(Expenditure)

	2023	2022
	£	£
Net income/(expenditure) is stated after charging/(crediting):		
Independent Examiner - Examination Fees	1,200	1,200
Independent Examiner - Other Services	1,680	840
Depreciation of Owned Fixed Assets	1,827	528

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2023

8. Staff Costs

	2023	2022
	£	£
Gross Salary Costs	116,853	98,740
Employer's National Insurance	6,699	5,106
Employer's Pension Contributions	2,757	2,261
	£126,309	£106,107

	2023	2022
	No.	No.
The average monthly number of staff employed during the year was as follows:		
Artistic Education/Learning Programmes/Management	4	4

No employees received remuneration in excess of £60,000 in the year (2022: None).

The total paid to key management personnel, defined as the members of the Management Team, was £40,000 (2022: £40,000).

No remuneration was paid to or waived by Trustees/Directors in the year (2022: £Nil).

No expenses were reimbursed to Trustees (2022: £Nil) in respect of their attendance at meetings of the charity.

9. Pension Scheme

Pension benefits are provided through a Group Personal Pension Scheme, which is a defined contribution scheme. The assets of the scheme are held separately from those of the company in a separately administered fund. In the year to 31 March 2023 Northern Heartlands made an employer's contribution of 3% of pensionable pay, provided that the employee makes a minimum contribution of 5%.

These amounts are paid over to the scheme on a monthly basis.

No contributions were outstanding at 31 March 2023 (2022: £Nil).

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2023

10. Tangible Fixed Assets

	Fixtures & Fittings	IT & Office Equipment	Total Fixed Assets
	£	£	£
Cost			
At 1 April 2022	1,277	1,363	2,640
Additions in year	438	3,636	4,074
At 31 March 2023	1,715	4,999	6,714
Accumulated Depreciation			
At 1 April 2022	425	624	1,049
Charge for year	343	1,484	1,827
At 31 March 2023	768	2,108	2,876
Net Book Value			
At 31 March 2023	£947	£2,891	£3,838
At 1 April 2022	£852	£739	£1,591

11. Debtors

	2023	2022
	£	£
Trade Debtors	2,728	-
Prepayments	273	-
Accrued Income	119,595	209,886
	£122,596	£209,886

12. Creditors - Amounts Falling Due Within One Year

	2023	2022
	£	£
Trade Creditors	6,172	1,358
Loan	20,000	-
Other Taxes & Social Security Costs	2,790	2,863
Other Creditors	401	519
Accruals	3,727	4,826
	£33,090	£9,566

The loan is a short-term, unsecured, interest-free loan, approved by the Trustees to cover a short-term cashflow gap in advance of the release of the first instalment of Arts Council England NPO funding, repaid in the first quarter of 2023/24.

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2023

13. Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted Funds	2023	2022
	£	£	£	£
Fixed Assets	1,064	2,774	3,838	1,591
Debtors	3,001	119,595	122,596	209,886
Cash at Bank and In Hand	(4,573)	21,006	16,433	32,964
Creditors – Due Within 1 Year	(26,405)	(6,685)	(33,090)	(9,566)
	£(26,913)	£136,690	£109,777	£234,875

14. Analysis of Charitable Funds

	Fund at 1 April 2022	Income for Year	Expenditure for Year	Fund at 31 March 2023
	£	£	£	£
Unrestricted General Fund	(17,135)	56,682	(66,460)	(26,913)
Restricted Funds				
Arts Council England – Dene Valley WLP	-	27,035	(27,035)	
Arts Council England – Organisational Development	-	26,722	(21,070)	5,652
Bishop Auckland Area Action Partnership – Social Prescribing	-	12,275	(3,009)	9,266
Believe Housing	-	9,860	(9,860)	
DCC Reading Project	7,500	(7,500)	-	-
Historic England – Placemaker Scheme	-	1,550	(1,550)	
Paul Hamlyn Foundation	41,210	-	(32,194)	9,016
Hidden Heritage - NLHF/Willington	179,790	-	(67,034)	112,756
TC/AAP Three Towns	23,510	-	(23,510)	-
Total Restricted Funds	252,010	69,942	(185,262)	136,690
Total Funds	£234,875	£126,624	£(251,722)	£109,777

Name of Restricted Fund

Description, Nature & Purpose of the Restricted Fund

Arts Council England – Dene Valley WLP

To fund delivery of a second Winter Light Parade in Dene Valley, intended to build skills within the community to be able to create a lantern parade and other festivals for themselves in future

Arts Council England – Organisational Development

Towards the costs of organisational development, supporting salaries, paying for a freelance fundraiser, and supporting the purchase of new laptops, mobile phone upgrades and a new photocopier

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2023

14. Analysis of Charitable Funds (Cont.)

Name of Restricted Fund	Description, Nature & Purpose of the Restricted Fund
Bishop Auckland Area Action Partnership – Social Prescribing	Towards the costs of delivery of creative social prescribing activity in Bishop Auckland
Believe Housing	Towards the costs of delivery of creative social prescribing activity in Bishop Auckland, including a 6-month programme of creative weekly sessions at the Four Clocks Centre in Bishop Auckland
DCC Reading Project	To fund NH support for a reading project, part funded by the author Ann Cleeves, supported by 5 NE local authorities, including Durham CC.
Historic England – Placemaker Scheme	To work with young people in the north of England to help create ten place markers that celebrate overlooked local histories.
Paul Hamlyn Foundation	To fund Turning the Hourglass – arts activity with communities in Witton Park and Dene Valley, delivering high quality arts projects and activities in areas that do not typically have access to cultural events and activities to improve confidence and capacity.
Hidden Heritage - NLHF/Willington TC/AAP Three Towns	To fund a programme of heritage themed creative activities and events with school children, community groups and individuals with wellbeing outcomes; culminating in a large-scale event in 2023 in Willington.
Thriving Communities – DCC/ACE	To fund a programme of social prescribing activities and workshops for people in the Durham Dales and Crook living and dealing with depression, anxiety, loneliness and poor mental health

15. Related Party Transactions

Details of transactions with Trustees are disclosed in Note 7.

There were no other transactions in the year with related parties, such as are required to be disclosed under the Financial Reporting Standard for Smaller Entities (Effective April 2008). (2022: None)

16. Financial Commitments

No material financial commitments have been made in respect of future financial years.

NORTHERN HEARTLANDS

England & Wales - Charity number 1186306

Accounts

Registered Charity Number 1186306

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)

REPORT AND ACCOUNTS
For the year ending 31 March 2022

**NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2022
TRUSTEES' REPORT**

As the Board of Trustees, we present our report and financial statements for the year to 31 March 2022.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity Number	1186306
Registered Office	3 Witham Studios, Hall Street, Barnard Castle DL12 8JB
Independent Examiner	Mr P O'Hara FCA, 4 Stoneyhurst Road West, Gosforth, Newcastle upon Tyne NE3 1PG

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

Northern Heartlands CIO was established as a Charitable Incorporated Organisation (CIO) on 13 November 2019. As a CIO it is governed by its constitution and Articles of Association.

Structure and Governance/ Board of Trustees

The charity currently has a board of three non-executive Trustees.

The Trustees of Northern Heartlands CIO during the year and to the date of signing this report were as follows:

Mr A M J Harrington
Mrs J Irving
Mr G D Young

Recruitment and Appointment of Board of Trustees

A recruitment campaign to increase and diversify the Board is planned.

In selecting individuals for appointment, the Trustees aim to ensure that the Board has the skills, knowledge and experience needed for the effective administration of the charity and is as diverse as possible.

Board recruitment remains a standing agenda item at Trustee meetings and we are alert to any possibilities of recruiting, in particular, a Trustee with financial expertise and a Trustee with 'lived experience', someone from one (or more) of the communities we serve. To this end the Chair has undertaken some training about working with those with 'lived experience' at Board level.

Trustee Induction and Training

Trustees are provided with a range of resources to support their understanding of Northern Heartlands' activities and outlining Trustee duties and responsibilities.

Management

Day-to-day operation of the charity is delegated to the Director, Jill Cole.

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2022
TRUSTEES' REPORT

OBJECTIVES AND ACTIVITIES

Charitable Purpose, Aims & Objectives

Northern Heartlands is a place-based cultural organisation currently delivering a range of arts, heritage & creative projects with communities across South & West Durham. It also operates at a strategic level with cross-sectoral partners, promoting community engagement through creativity being used to support a range of agendas, from health and wellbeing to planning, the environment & tourism.

The principal object of the charity is "To advance the education of the public in the subject of the arts through the provision of seminars and workshops".

In relation to the purposes above, the charity has undertaken the following activity in the period:

- A one-year programme of arts-based workshops and activities for people in our area of benefit living with depression, anxiety or poor mental health, particularly as a result of the Covid pandemic
- Community development and arts access with communities living in two 'Category D' former mining villages
- A partnership environmental project working with artists in schools to raise awareness of the unique flora of our area
- Research and development for a major community heritage and wellbeing project in the former mining town of Willington
- Curation of a digitally-based, 'slow conversation' between farmers, ecologists and environmentalists

The Board has agreed a revised Vision and Mission for the organisation developed in consultation with all staff.

We have whole organisation commitment to these, and to the following values which determine how we aspire to work:

Vision & Mission

Northern Heartlands' Vision is for strong, connected, and healthy local communities, where people are actively involved in shaping their lives and their environment.

Northern Heartlands' Mission is to engage and support local people and communities by using creativity to develop agency, build social capital and foster individual potential.

We will achieve this mission by:

- Recognising that each place we work in, and each community we work with, is unique
- Working with creative practitioners in everything we do
- Ensuring we always work collaboratively with communities
- Always reviewing, learning from and adapting our approach and sharing our learning with others
- Supporting artists and creative practitioners to reach their full potential
- Working in partnership

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2022
TRUSTEES' REPORT

OBJECTIVES AND ACTIVITIES (CONTINUED)

Charitable Purpose, Aims & Objectives (Cont.)

Values

We want to be:

- Committed - to what we do, to each other to those we work with
- Trusted - by each other and by those we work with
- Dignified - in our own actions and by respecting the dignity of everyone we work with
- Ambitious - for ourselves, for our organisation and for the places, the communities, and the individuals we work with
- Authentic - in all of our actions
- Humble - in respecting and valuing the opinions and beliefs of others

Public Benefit

The Trustees understand and have discussed the implications of the provisions of the Charities Act 2006, which requires all charities to be able to demonstrate that they are established for public benefit and have had due regard to the public benefit guidance issued by the Charity Commission.

The Trustees believe that the charity meets both of the key principles.

Principle 1 - There must be an identifiable benefit, or benefits

The benefits from our work are:

- Increased wellbeing for individuals of all ages and backgrounds, and particularly for those living in areas of socio-economic deprivation and/or deeply rural areas in south west Durham
- Increased community cohesion in our area of benefit

Principle 2 - Benefit must be to the public, or a section of the public

Each element of our work is able to provide benefit to the public in general.

Reserves Policy

The Trustees have reviewed the charity's needs for reserves in line with the guidance issued by the Charity Commission.

The Trustees aim to firstly hold a level of unrestricted Reserves which enables the charity to have sufficient financial resources to meet various liabilities which would crystallise if Northern Heartlands' funding were to be withdrawn and/or it were unable to continue operating.

At present, the Trustees estimate that the Unrestricted Reserves required for such purposes amount to approximately £30,000.

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2022
TRUSTEES' REPORT

OBJECTIVES AND ACTIVITIES (CONTINUED)

Reserves Policy (Cont.)

If possible, the Trustees then aspire to retain an additional allowance of £10,000 to £20,000 to enable the charity to respond flexibly to issues or appropriate initiatives which might be identified outside of its annual budgeting process.

The required level of Reserves is therefore in the range of £40,000 to £50,000

Northern Heartlands currently has negative total Unrestricted Reserves of £(17,135) at 31 March 2022. Free Reserves, defined as Unrestricted Funds minus any Designated Funds minus the value of Tangible Fixed Assets are £Nil.

The charity intends through its financial management and budgeting processes to reach its aspirational level of Reserves over the next 3 years to hold sufficient to cover its liabilities and to enable it to continue to respond flexibly.

The Trustees regularly review specific liabilities at each Board meeting. The Reserves Policy is revisited by the Board annually in the light of progress against budget and is updated at the time of drafting the annual accounts.

Investment Policy

The charity has the power under the Memorandum and Articles of Association to make any investment which the Trustees see fit.

Risk Management

The Trustees of the charity regularly review the major governance, operational and financial risks which the charity faces as part of its annual business planning process and confirm that systems have been established to mitigate these risks.

Northern Heartlands has a risk management strategy in place that comprises:

- an annual review of the strategic risks the charity may face via the business plan
- the establishment of systems and procedures to mitigate identified risks
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

The Trustees are satisfied that appropriate financial systems and controls are in place, together with appropriate employment policies and practices.

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2022
TRUSTEES' REPORT

OBJECTIVES AND ACTIVITIES (CONTINUED)

Risk Management (Cont.)

The Trustees consider the key risks facing the charity at this time and the mitigating actions taken to be as follows.

- The lack of Unrestricted Funds which, if not addressed, threatens the solvency and viability of the charity – fundraising and budgeting for 2022/23 is focussed upon addressing this as a priority
- Shortage of resources, both financial and human - grants are applied for to establish a more robust organisation, supporting additional salaried positions
- Size and diversity of the Board of Trustees. A trustee recruitment process is underway, following a skills audit. The charity aims to have a board of between 4-7 people by the end of 2022.

The Trustees also manage the general financial risks by ensuring that:

- prudent budgets are set for each financial year
- the charity maintains a low cost-base

ACHIEVEMENTS AND PERFORMANCE

Summary of the Charity's Main Achievements During the Year

At the start of the year, England was emerging from lockdown and still in the grip of the Covid pandemic. Following government guidelines, which were gradually easing, Northern Heartlands' staff made a staggered return to working in the office, with Office Manager Jayne Bradley and Director Jill Cole being the first to return full-time.

The impact of Covid, the withdrawal by Arts Council England (ACE) and National Lottery Heritage Fund (NLHF) of their major project funding streams (including the withdrawal of a bid already submitted to the latter), and the fact that Northern Heartlands was a new charity (despite previous Great Place Scheme successes and track record), were all reflected in the somewhat precarious financial position for the Charity at the end of the financial year 2020-2021. This was highlighted to the Board by Pete O'Hara following his appointment as external accountant/independent examiner in July 2021.

Despite this, the Charity continued to grow steadily through the year, increasing its activity and securing funds, most significantly, from the NLHF (£174k for Hidden Heritage and Wellbeing in Willington) and the Paul Hamlyn Foundation's Arts Access & Participation Fund (£76k for Turning the Hourglass – arts activity with communities in Witton Park and Dene Valley).

In addition, we were able to respond to commissioning opportunities from Failte Ireland (landscape partnership research project); The Witham Arts Centre (a part-time programming contract), Durham Culture Partnership (research and development of a County Durham artists' network) and Bishop Auckland Heritage Action Zone for recruitment of volunteers and development of community heritage organisations in Bishop Auckland.

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2022
TRUSTEES' REPORT

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Summary of the Charity's Main Achievements During the Year (Cont.)

We also continued to play a key role in the sector in the North East, with Director Jill Cole remaining on the boards of Culture Durham and the North East Culture Partnership as well as being the 'arts representative' on the advisory board of TeesSwale: Naturally Connected, an £8.5m North Pennines AONB Partnership nature recovery programme.

Activity Highlights

Thriving Communities ("NOW"): Working with partners UTASS, TCR Hub and Jack Drum Arts, Northern Heartlands oversaw the delivery of regular weekly workshops for people in the Durham Dales and Crook living and dealing with depression, anxiety, loneliness and poor mental health. The project started in April 2021 and will conclude at the end of May 2022 with sessions running in the partners' 3 venues every week. As well as a variety of participatory arts activities which included pottery, visual arts and crafts, singing, photography and animation, the programme also included Tai Chi, canoeing, a trip to the panto at The Witham in Barnard Castle and a visit to Lumiere. The project also saw the development of a very good relationship with the NHS Social Prescribing Link workers who attended regular monthly meetings (all held online) and quarterly strategic partner meetings. A legacy project is planned for delivery in 2022 with funding from Believe Housing, in Bishop Auckland.

Turning the Hourglass: Funding from the Paul Hamlyn Foundation saw the delivery of a Halloween event in Witton Park, based on stories gathered from the community and with local people helping to decorate the community centre. We worked with writer David Napthine who led an audience of 28 around the village on 31 October to witness unexpected dramatic scenes. In Dene Valley we employed artist Anna Harding who delivered a series of lantern making workshops with community groups; we also managed to secure the purchase of a Christmas Tree for the village of Eldon Lane which was lit on 18th December following a community parade through the village.

Feedback from the community was resoundingly positive; approximately 50 people took part in lantern making workshops and some 500 members of the community attended the event. We continue to work with Dene Valley residents to create a further event for winter 2022.
https://www.youtube.com/watch?v=Mwg27zF_tvA

Plants On The Edge: A partnership with Teesdale Special Flora Trust was developed and Northern Heartlands supported the TSF Trust's application to DEFRA's Green Recovery Challenge Fund (administered by the NLHF). Funding of £230k was secured. Northern Heartlands' role in the programme was to recruit and employ a Volunteer and Engagement Officer. Naomi Priestly was appointed and began working for the Charity at the beginning of December 2021 on a 0.6 FTE post. Director Jill Cole has supported the Trust's governance and is reporting on their behalf to DEFRA.

Hidden Heritage & Wellbeing: Significant funding of £174k from NLHF saw the research and development phase of a 3-year project focussing on community heritage and wellbeing in Willington, building on the work of historian Jeremy Lake, who had worked with pupils from Willington Primary School as part of Northern Heartlands' Great Place Scheme in 2019. A research team from Manchester Metropolitan University has been appointed to evaluate what has been described as a 'pioneering' project in the realm of heritage and wellbeing.

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2022
TRUSTEES' REPORT

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Summary of the Charity's Main Achievements During the Year (Cont.)

Love & Soil: Former Northern Heartlands Learning Manager Emily Diamand secured a contract from Leeds University to gather conversations addressing the 'messy middle' in thinking between farmers and environmentalists; Northern Heartlands' role was to gather creative written, oral and video statements from contributors, develop slow conversations, and to share these on a website. Content is currently available on YouTube ([Love & Soil Trailer – YouTube](#)) and will be shared on Northern Heartlands re-launched website in 2022.

The year ended with Director Jill Cole supporting the countywide bid for City of Culture 2025.

FINANCIAL REVIEW

Whilst we have been successful in securing significant funds for project activity throughout the year, there has been little opportunity to source unrestricted funding for core costs. This is being addressed with further funding applications in the pipeline and a bid submitted in May 2022 for Arts Council NPO status.

The outturn for the year is an unrestricted deficit of £(23,646), leaving negative Unrestricted Funds at 31 March 2022 of £(17,135).

FUTURE PLANS

In the coming financial year Northern Heartlands will focus on four key projects, all of which are fully funded.

These comprise some of the projects outlined in this Annual Report 2021-22, as follows:

- Hidden Heritage & Wellbeing (community heritage and wellbeing project in Willington) – working with 6 local schools, community groups and the Willington Care Home, community-led heritage research will culminate in a major participatory performance in the town in the Summer of 2023, as well as a legacy of heritage place-markers
- Arts and social prescribing programme (Thriving Communities legacy project) working in partnership with NHS Social Prescribing Link Workers and providing arts activities to help increase emotional and mental wellbeing for residents of Bishop Auckland
- Turning the Hourglass – the continuation of our Paul Hamlyn Foundation funded project with communities in Witton Park and Dene Valley, enabling access to high quality arts and culture for those with least access and building skills and confidence with those communities to further develop once the project has ended
- A continued partnership with Teesdale Special Flora Trust; employing and managing the volunteer and engagement officer and overseeing delivery of a range of schools and community workshops inspired by the unique flora of Upper Teesdale.

**NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2022
TRUSTEES' REPORT**

FUTURE PLANS (CONTINUED)

Time will be allocated to permit the Director to focus on strategic development and fundraising for core costs, building unrestricted reserves and ensuring the charity is in a stable position by the end of March 2023.

Kick-starting this process, in May 2022 Arts Council project funding was secured (£26,722) for 'Organisational Development', with an allocation for an external fundraiser who will be working on the Charity's behalf, a contribution towards staff costs and funding for replacement office equipment.

An Arts Council National Portfolio Organisation (NPO) bid has been submitted which will, if successful, support the organisation from April 2023 – March 2026. Even if NPO status is not achieved, the plans for activity in this period outlined in the application will remain, and the charity will focus on three main areas of development, all with creativity and arts practice at their heart: Arts and Wellbeing, Connected Communities, and Environment & Landscape.

Embryonic conversations with Ewan Allison, former Northern Heartlands Ambassador, are being held with a view to the charity having a key role in a landscape/environmental partnership with a core arts focus taking place in Perthshire, Scotland, over the next 3-4 years.

Northern Heartlands continues to be ambitious and aims to be a national leader in participatory and community-led arts practice.

**NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 MARCH 2022
TRUSTEES' REPORT**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for managing the business of the charity and may exercise all the powers of the charity unless restricted by the Charities Act or the constitution of the charity.

The Trustees are responsible for the preparation of the financial statements for each financial year which show a true and fair view of the state of affairs of the charity as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year.

In preparation of the financial statements the Trustees should follow best practice and:

1. Select suitable accounting policies and apply them.
2. Make judgements and exercises that are reasonable and prudent.
3. Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charity will continue on that basis.

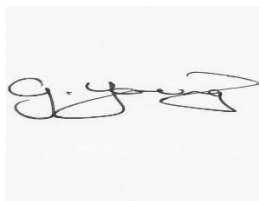
The Trustees are responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charity.

The Trustees are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

DECLARATIONS

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005 by the Charities Commission England and Wales).

This report was approved by the Board of Trustees on 10 June 2022 and signed on its behalf by:



**Graham Young
Trustee/Chair**

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS ON THE UNAUDITED ACCOUNTS OF NORTHERN HEARTLANDS CIO FOR THE YEAR ENDED 31 MARCH 2022

I hereby report to the Trustees/Members of Northern Heartlands CIO (Charity Registration Number 1186728) on the accounts for the year ended 31 March 2022 set out on pages 11 to 21.

Responsibilities and basis of report

As the charity's Trustees (and also its directors for the purposes of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

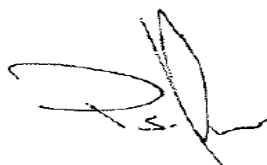
Independent Examiner's Statement

Since the charity's gross income exceeded £250,000, your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods or principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial reporting Standard applicable in the UK and Republic of Ireland (FRS102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Pete O'Hara, FCA, Chartered Accountant
Fellow of the Institute of Chartered Accountants in England & Wales

4 Stoneyhurst Road West, Gosforth, Newcastle upon Tyne NE3 1PG

10 June 2022

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
STATEMENT OF FINANCIAL ACTIVITIES
YEAR TO 31 MARCH 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Income					
Income from Grants, Donations & Legacies	3	28,263	370,575	398,838	92,215
Income from Charitable Activities	4	31,188	2,500	33,688	6,188
Total Income		59,451	373,075	432,526	98,403
Expenditure					
Expenditure on Charitable Activities	5	83,097	141,987	225,084	70,970
Total Expenditure		83,097	141,987	225,084	70,970
Net Income/(Expenditure)	6	(23,646)	231,088	207,442	27,433
Balance brought forward		6,511	20,922	27,433	-
Balance carried forward at 31 March	12	£(17,135)	£252,010	£234,875	£27,433

The notes on pages 13 to 21 form part of the financial statements.

There are no recognised gains and losses during the year other than as shown above

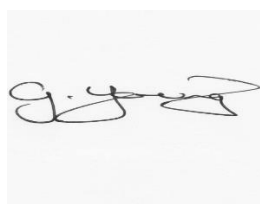
All the activities for the year are continuing activities.

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
STATEMENT OF FINANCIAL POSITION/BALANCE SHEET
At 31 MARCH 2022

	Notes	2022 £	2021 £
Fixed Assets			
Tangible Fixed Assets	9	1,591	1,442
Current Assets			
Debtors	10	209,886	1,706
Cash at Bank and In Hand		32,964	27,072
		<u>242,850</u>	<u>28,778</u>
Creditors:			
Amounts Falling Due Within 1 Year	11	(9,566)	(2,787)
Net Current Assets		<u>233,284</u>	<u>25,991</u>
Total Net Assets		<u>£234,875</u>	<u>£27,433</u>
Represented By:			
Unrestricted Funds	12, 13	(17,135)	6,511
Restricted Funds	12, 13	252,010	20,922
		<u>£234,875</u>	<u>£27,433</u>

The notes on pages 13 to 21 form part of the financial statements.

The financial statements were approved by the Board, and authorised for issue, on 10 June 2022 and signed on its behalf by:



Graham Young
Trustee and Chair

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2022

1. Accounting Policies

Charity Information

Northern Heartlands CIO is a Charitable Incorporated Organisation. The registered office is 3 Witham Studios, Hall Street, Barnard Castle DL12 8JB.

The charity is a public benefit entity.

Basis of Accounting

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Statement of Recommended Practice (Charities SORP FRS 102) "Accounting and Reporting by Charities" and the Charities Act 2011.

The financial statements have been prepared on the historical cost basis, modified to include certain financial instruments at fair value.

Advantage has been taken of the provisions in the SORP for Charities applying FRS 102 Update Bulletin 1 not to prepare a statement of cashflows.

The financial statements are prepared in sterling, which is the functional currency of the charity.

Income

All income, including grant income, is included in the Statement of Financial Activities (SOFA), net of VAT, when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Such income is only deferred when the donor or funder has specified that the grant or donation can only be used in future accounting years or where the donor or funder has imposed conditions which must be met before the charity has unconditional entitlement.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Income from Investments

Interest receivable on fixed interest securities and bank deposits is included on an accruals basis.

Expenditure

All expenditure is accounted for on an accruals basis and is recognised when a liability is incurred.

- Costs of Raising Funds are those costs of seeking potential funders and applying for funding.
- Charitable activities include expenditure associated with the provision of grant funding, research, advocacy and the direct provision of creative learning-related activities. This includes both the direct costs and support costs relating to these activities.

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2022

1. Accounting Policies (Cont.)

Expenditure (Cont.)

- Support or Indirect costs are those costs incurred in support of the charitable objectives. These have been allocated to the resources expended on a consistent basis that fairly reflects the true use of those resources within the organisation, such as allocating staff costs by time spent and other costs by their usage.
- Governance costs are those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Operating Leases

The charity classifies the lease of certain printing equipment as operating leases as the title to the equipment remains with the lessor. Rental charges are charged against income on a straight-line basis over the year of the lease.

Tangible Fixed Assets and Depreciation

Depreciation is provided on the fixed assets at rates calculated to write off the assets over their remaining useful lives as follows:

Office & ICT Equipment	– over 5 years
Fixtures & Fittings	– over 5 years

A full year's depreciation charge is applied in the year of acquisition and no charge is made in the year of disposal.

Impairment of Fixed Assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Fund Accounting

The charity has a number of restricted income funds to account for situations in which a funder requires that a grant must be spent on a particular purpose or where funds have been raised for a specific purpose. The aim and use of each restricted fund is set out in Note 13 to the financial statements.

All other funds are considered Unrestricted Funds and are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2022

1. Accounting Policies (Cont.)

Taxation

Northern Heartlands CIO is a registered charity and, as such, is not liable to taxation on its income in the current year.

Pensions

Northern Heartlands contributes to a defined contribution pension scheme. Further details can be found in Note 8.

For the defined contribution scheme, the amount charged to the Statement of Financial Activities in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' of FRS102 to all its financial instruments.

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. Going Concern

The Trustees are aware of the risks inherent in the charity's current position of having negative Unrestricted Funds.

The Trustees have therefore considered and approved a business model and budget through which the charity is seeking to develop new grant funding and income streams to support its planned activities in 2022/23 and beyond.

Consequently, the Trustees believe that it is appropriate for the financial statements to be drawn up on a going concern basis.

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2022

3. Income from Grants, Donations & Legacies

	Unrestricted Funds £	Restricted Funds £	2022 £	2021 £
Grant Income				
AAP Durham – Hands That Can	-	1,566	1,566	-
AAP Shildon Model Railway Club	-	-	-	500
AAP Three Towns	-	-	-	8,186
AAP Three Towns – NLHF Match	-	5,000	5,000	-
Arts Council England Emergency Response Fund	-	-	-	34,240
Arts Council England Project Grant	-	-	-	14,705
CDCF Dragons Teeth & Waterfalls	-	-	-	5,648
CDCF Thriving Communities	-	-	-	5,000
Coronavirus Job Retention Scheme	-	-	-	5,074
DCC (Culture Sport & Tourism)	20,000	-	20,000	-
DCC (Public Health)	-	30,000	30,000	-
DCC COMF Dene Valley	-	16,123	16,123	-
DCC COVID-19 Support	8,000	-	8,000	12,238
DCC Reading Project	-	7,500	7,500	-
National Heritage Lottery Fund – Hidden Heritage	-	174,386	174,386	-
Paul Hamlyn Foundation	-	76,000	76,000	-
Thriving Communities	-	50,000	50,000	-
Willington Town Council – NLHF Match	-	10,000	10,000	-
	28,000	370,575	398,575	85,591
Donations				
General Donations	263	-	263	2,801
Donated Assets	-	-	-	1,823
DCC Contribution towards CIO	-	-	-	2,000
	263	-	263	6,624
	£28,263	£370,575	£398,838	£92,215

Of the 2021 total of £92,215, £23,936 related to Unrestricted Funds and £68,279 to Restricted Funds.

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2022

4. Income from Charitable Activities

	Unrestricted Funds	Restricted Funds	2022	2021
	£	£	£	£
Earned Income	31,188	-	31,188	3,688
Love & Soil	-	2,500	2,500	2,500
	£31,188	£2,500	£33,688	£6,188

Of the 2021 total of £6,188, £3,688 related to Unrestricted Funds and £2,500 to Restricted Funds.

5. Expenditure on Charitable Activities

	Unrestricted Funds	Restricted Funds	2022	2021
	£	£	£	£
Direct Costs				
Project Costs	13,128	87,302	100,430	38,232
Marketing Costs	1,146	-	1,146	-
Support Costs				
Depreciation	528	-	528	521
Insurance	890	-	890	-
Other Overhead Costs	3,293	-	3,293	654
Premises Costs	-	7,440	7,440	3,306
Salaries & On Costs	60,237	45,870	106,107	25,718
Telephone, ICT & Website Costs	1,643	1,375	3,018	907
Governance Costs				
Independent Examination	1,200	-	1,200	1,200
Other Accountancy Services	1,032	-	1,032	432
	£83,097	£141,987	£225,084	£70,970

Of the 2021 total of £70,970, £25,147 related to Unrestricted Funds and £45,823 to Restricted Funds.

6. Net Income/(Expenditure)

	2022	2021
	£	£
Net income/(expenditure) is stated after charging/(crediting):		
Independent Examiner - Examination Fees	1,200	1,200
Independent Examiner - Other Services	840	432
Depreciation of Owned Fixed Assets	528	521

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2022

7. Staff Costs

	2022	2021
	£	£
Gross Salary Costs	98,740	25,151
Employer's National Insurance	5,106	-
Employer's Pension Contributions	2,261	567
	£106,107	£25,718

	2022	2021
	No.	No.
The average monthly number of staff employed during the year was as follows:		
Artistic Education/Learning Programmes/Management	4	2

No employees received remuneration in excess of £60,000 in the year (2021: None).

The total paid to key management personnel, defined as the members of the Management Team, was £40,000 (2021: £25,718).

No remuneration was paid to or waived by Trustees/Directors in the year (2021: £Nil).

No expenses were reimbursed to Trustees (2021: £Nil) in respect of their attendance at meetings of the charity.

8. Pension Scheme

Pension benefits are provided through a Group Personal Pension Scheme, which is a defined contribution scheme. The assets of the scheme are held separately from those of the company in a separately administered fund. In the year to 31 March 2022 Northern Heartlands made an employer's contribution of 3% of pensionable pay, provided that the employee makes a minimum contribution of 5%.

These amounts are paid over to the scheme on a monthly basis.

No contributions were outstanding at 31 March 2022 (2021: £Nil).

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2022

9. Tangible Fixed Assets

	Fixtures & Fittings	IT & Office Equipment	Total Fixed Assets
	£	£	£
Cost			
At 1 April 2021	600	1,363	1,963
Additions in year	677	-	677
At 31 March 2022	1,277	1,363	2,640
Accumulated Depreciation			
At 1 April 2021	170	351	521
Charge for year	255	273	528
At 31 March 2022	425	624	1,049
Net Book Value			
At 31 March 2022	£852	£739	£1,591
At 1 April 2021	£430	£1,012	£1,442

10. Debtors

	2022	2021
	£	£
Trade Debtors	-	-
Prepayments	-	14
Accrued Income	209,886	-
Other Debtors	-	1,692
	£209,886	£1,706

11. Creditors - Amounts Falling Due Within One Year

	2022	2021
	£	£
Trade Creditors	1,358	414
Other Taxes & Social Security Costs	2,863	885
Other Creditors	519	-
Accruals	4,826	1,488
	£9,566	£2,787

12. Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted Funds	2022	2021
	£	£	£	£
Fixed Assets	1,591	-	1,591	1,442
Debtors	-	209,886	209,886	1,706
Cash at Bank and In Hand	(9,160)	42,124	32,964	27,072
Creditors – Due Within 1 Year	(9,566)	-	(9,566)	(2,787)
	£(17,135)	£252,010	£234,875	£27,433

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2022

13. Analysis of Charitable Funds

	Fund at 1 April 2021	Income for Year	Expenditure for Year	Fund at 31 March 2022
	£	£	£	£
Unrestricted General Fund	6,511	59,451	(83,097)	(17,135)
Restricted Funds				
CDCF Thriving Communities	5,000	-	(5,000)	-
AAP Three Towns	8,186	-	(8,186)	-
CDCF Dragons Teeth & Waterfalls	5,648	-	(5,648)	-
Love & Soil	2,088	2,500	(4,588)	-
DCC Reading Project	-	7,500	-	7,500
DCC COMF/Dene Valley	-	16,123	(16,123)	-
Paul Hamlyn Foundation	-	76,000	(34,790)	41,210
AAP Durham – Hands That Can	-	1,566	(1,566)	-
Hidden Heritage - NLHF/Willington	-	189,386	(9,596)	179,790
TC/AAP Three Towns	-	80,000	(56,490)	23,510
Thriving Communities – DCC/ACE	-	80,000	(56,490)	23,510
Total Restricted Funds	20,922	373,075	(141,987)	252,010
Total Funds	£27,433	£432,526	£(225,084)	£234,875

Name of Restricted Fund	Description, Nature & Purpose of the Restricted Fund
CDCF Thriving Communities	Match funding for 'Thriving Communities' project funded by Arts Council England and National Academy for Social Prescribing, providing a programme of social prescribing activities and workshops for people in the Durham Dales and Crook living and dealing with depression, anxiety, loneliness and poor mental health
AAP Three Towns	To fund the 'Creativity in Crisis' programme, a response to the Covid pandemic lockdown whereby local artists were commissioned to deliver a digital programme of creative activities to individuals
CDCF Dragons Teeth & Waterfalls	To fund the creation of a music video - Teesdale based community choir members and youth folk band Cream Tees worked with renowned folk artist Katie Doherty to perform and record her song "Dragon's Teeth and Waterfalls"
Love & Soil	To fund the conception, development and management of a series of 'slow conversations' through digital means. We facilitated the collection, collation and dissemination of the contributions on a website, through a webinar and on our YouTube channel

NORTHERN HEARTLANDS CIO
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 MARCH 2022

13. Analysis of Charitable Funds (Cont.)

Name of Restricted Fund	Description, Nature & Purpose of the Restricted Fund
DCC Reading Project	To fund a reading project, part funded by the author Ann Cleeves, supported by 5 NE local authorities, including Durham CC. We're supporting the reading coach in Tow Law.
DCC COMF/Dene Valley	Match funding for Paul Hamlyn Foundation community project to create lanterns for a Winter Light Parade in Dene Valley and to purchase a Christmas Tree and lights for the community.
Paul Hamlyn Foundation	To fund Turning the Hourglass – arts activity with communities in Witton Park and Dene Valley, delivering high quality arts projects and activities in areas that do not typically have access to cultural events and activities to improve confidence and capacity.
AAP Durham – Hands That Can	To fund the 'Hands That Can' project, supporting one of the artists involved in our Creativity in Crisis programme to continue her project with another group of participants in Durham.
Hidden Heritage - NLHF/Willington TC/AAP Three Towns	To fund a programme of heritage themed creative activities and events with school children, community groups and individuals with wellbeing outcomes; culminating in a large scale event in 2023in Willington.
Thriving Communities – DCC/ACE	To fund a programme of social prescribing activities and workshops for people in the Durham Dales and Crook living and dealing with depression, anxiety, loneliness and poor mental health

14. Related Party Transactions

Details of transactions with Trustees are disclosed in Note 7.

There were no other transactions in the year with related parties, such as are required to be disclosed under the Financial Reporting Standard for Smaller Entities (Effective April 2008). (2021: None)

15. Financial Commitments

No material financial commitments have been made in respect of future financial years.

NORTHERN HEARTLANDS

England & Wales - Charity number 1186306

Accounts

Northern Heartlands
Unaudited Financial Statements
For the period ended
31 March 2021

ALLEN SYKES LTD
Chartered Accountants
5 Henson Close
South Church Enterprise Park
Bishop Auckland
County Durham
DL14 6WA

Northern Heartlands

Financial Statements

Period from 13 November 2019 to 31 March 2021

	Page
Trustees' annual report	1
Independent examiner's report to the trustees	4
Statement of financial activities	5
Statement of financial position	6
Notes to the financial statements	7

Northern Heartlands

Trustees' Annual Report

Period from 13 November 2019 to 31 March 2021

The trustees present their report and the unaudited financial statements of the charity for the period ended 31 March 2021.

Reference and administrative details

Registered charity name Northern Heartlands

Charity registration number 1186306

Principal office 3 Witham Studios
Hall Street
Barnard Castle
DL12 8JB

The trustees

Mr A M J Harrington	(Appointed 13 November 2019)
Mrs J Irving	(Appointed 13 November 2019)
Mr G D Young	(Appointed 13 November 2019)

Independent examiner Mrs Jillian Hindmarsh FCA
5 Henson Close
South Church Enterprise Park
Bishop Auckland
County Durham
DL14 6WA

Structure, governance and management

The charity was registered as with Charity Commission and incorporated as a Charitable Incorporated Organisation (CIO) on 13 November 2019. The CIO currently has three trustees but we aim to recruit more. 'Board recruitment' remains a standing agenda item and we are alert to possibilities of recruiting, in particular, a trustee with financial expertise and a trustee with 'lived experience'; someone from one (or more) of the communities we serve. To this end the Chair has undertaken some training about working with those with 'lived experience' at board level.

Objectives and activities

The principal object of the charity is "To advance the education of the public in the subject of the arts through the provision of seminars and workshops".

In relation to the purposes above, the charity has undertaken the following activity in the period:

- Artists' Training (The Art of Invitation with Encounters Arts)
- Creative workshops with community participants in Dene Valley
- Programme of workshops in response to Covid (Creativity in Crisis)
- Programme management and marketing

Throughout the period the Trustees have had regard to the Charity Commission's guidance on public benefit.

Northern Heartlands

Trustees' Annual Report *(continued)*

Period from 13 November 2019 to 31 March 2021

Achievements and performance

The charity was established in late 2019 following a successful 3-year publicly funded programme called 'Great Place Scheme'. The Great Place Scheme was a National Lottery-funded programme which responded to the government's 2016 Culture White Paper. The Scheme aimed to ensure that local investment in arts and culture had the greatest impact on local ecologies (the economy, jobs, education, community cohesion and health and wellbeing). Northern Heartlands developed a brand, identity, partnerships and a loyal following through its delivery of the Great Place Scheme in County Durham (one of 37 Schemes nationally) between 2017-20, during which time the accountable body for the programme was Visit County Durham. The decision to establish Northern Heartlands as a CIO in its own right was in recognition of the fact that relationships both with grassroots communities (individuals and organisations) and with strategic partners in that 3-year period had really only just started. It was strongly felt that there would be much to be gained by building on the learning of Great Place Scheme activity, honing methodologies that were explored and expanding our reach and influence.

The first year of our role as a CIO was always intended as a development year, with a focus on securing funds from a variety of sources (primarily Arts Council England and the National Lottery Heritage Fund - the main joint funders of the Great Place Scheme programme) to enable the organisation to survive and thrive. With infrastructure in place (a working office space), a team of committed staff keen to remain with us, and a strong profile through our brand and contacts, overheads for the organisation were always going to be disproportionately high for a 'new' organisation, but in principle support from our funders provided us with the encouragement and impetus to proceed.

In March 2020 we were then faced with the challenge of the Covid crisis. One outcome was an extension of our Great Place Scheme funding until September 2020. However, the immediate and devastating impact on our plans was that both Arts Council and NLHF withdrew their major funding streams; an application that had been submitted was cancelled and we were unable to submit an Arts Council application that had been fully developed and was ready for submission.

Funding from Arts Council's Covid Emergency Fund enabled us to develop a programme of work in direct response to Covid ('Creativity in Crisis') - a programme of 8 different creative workshop-style activities delivered (mainly) on-line which benefited a total of 226 participants and 13 artists. This programme formed the main thrust of our charitable activity throughout the year, with participants taking part in activities as varied as animation, singing for well-being, a creative 'Twine', online dance and movement and creative writing for new mums. Two projects of particular note were a film recording 5 personal experiences of lockdown ("Letters From Lockdown" - https://www.youtube.com/watch?v=i_XSVudDgF4) and "Showstoppers", a photography project aimed at audiences who would usually attend the local agricultural shows (all cancelled) which attracted an international as well as a local audience, developed skills and addressed the mental wellbeing of the rural and isolated communities we aim to serve (<https://northernheartlands.org/project/showstoppers/>)

Throughout Covid and lockdown staff worked from home. With no face-to-face delivery permissible potential activity was very much curtailed and this is reflected in the proportion of funds in these accounts allocated to Education in Arts vs Support Costs itemised within the accounts. Staff time was spent primarily in raising further funds and setting up systems and mechanisms for the organisation to be in a sustainable position. Towards the end of the year we were successful in securing funds from the National Academy of Social Prescribing/Arts Council's Thriving Communities Fund and going forward the work of the charity will include a focus on mental health and wellbeing outcomes for participants, with strong partnerships being developed with local authority Public Health and other health partners. We continue to have at our core a focus on a 'place-based' approach, to work with the communities of the rural Durham Dales and some of the more economically and socially deprived communities of the former Durham coalfield area.

Northern Heartlands

Trustees' Annual Report *(continued)*

Period from 13 November 2019 to 31 March 2021

We have developed the strapline "We believe in the creative power of communities to bring about real change" and at this point in time now look forward to developing our vision of:

Flourishing places, where people use creativity to gain confidence, explore what matters, express their views and contribute to society.

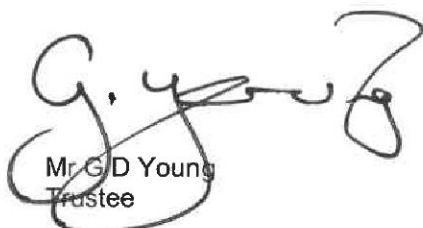
Financial review

At the end of our first accounting period and our first 17 months of operating, Northern Heartlands' financial position is reasonably healthy, especially in light of the Covid pandemic and its impact on our operation during 2020. We have funds carried forward totalling £27,433 with further funding applications in the pipeline and anticipated income from the local authority, Durham County Council, who have offered revenue support to the value of £50k for the coming year. There is still a way to go to ensure sustainability in the longer term but our approach to partnership working, particularly in the health sector, our open approach to exploring opportunities to deliver a programme of creative activity based in our particular place (SW Durham) and the positive indication we have had from the Heritage Fund, who are expecting a significant application from us in the near future, all mean that there are many potential revenue streams open to us.

RESERVES POLICY

Trustees have agreed that we should aim to hold sufficient funds in reserve to enable the organisation to survive for 3 months. This in effect means retaining a reserve of £30k. The charity currently has free reserves of £5,069. Funds made available through Durham County Council's Business Recovery Grant of £20k will be transferred to a deposit account with the aim of retaining this amount and building over time to £30k. As we begin our second year, and with funding and economic uncertainty ahead, the reserve will be used to support cashflow throughout the coming months.

The trustees' annual report was approved on 14 May 2021 and signed on behalf of the board of trustees by:



Mr G D Young
Trustee

Northern Heartlands

Independent Examiner's Report to the Trustees of Northern Heartlands

Period from 13 November 2019 to 31 March 2021

I report to the trustees on my examination of the financial statements of Northern Heartlands ('the charity') for the period ended 31 March 2021.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

J Hindmarsh

Mrs Jillian Hindmarsh FCA
Independent Examiner

5 Henson Close
South Church Enterprise Park
Bishop Auckland
County Durham
DL14 6WA

28th July 2021

Northern Heartlands

Statement of Financial Activities

Period from 13 November 2019 to 31 March 2021

		Period from 13 Nov 19 to 31 Mar 21		
	Note	Unrestricted funds £	Restricted funds £	Total funds £
Income and endowments				
Donations and legacies	4	23,936	68,279	92,215
Charitable activities	5	3,688	2,500	6,188
Total income		<u>27,624</u>	<u>70,779</u>	<u>98,403</u>
Expenditure				
Expenditure on charitable activities	6,7	25,147	45,823	70,970
Total expenditure		<u>25,147</u>	<u>45,823</u>	<u>70,970</u>
Net income		<u>2,477</u>	<u>24,956</u>	<u>27,433</u>
Transfers between funds		4,034	(4,034)	–
Net movement in funds		<u>6,511</u>	<u>20,922</u>	<u>27,433</u>
Reconciliation of funds				
Total funds brought forward		–	–	–
Total funds carried forward		<u>6,511</u>	<u>20,922</u>	<u>27,433</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 7 to 14 form part of these financial statements.

Northern Heartlands

Statement of Financial Position

31 March 2021

	Note	31 Mar 21 £
Fixed assets		
Tangible fixed assets	14	1,442
Current assets		
Debtors	15	1,706
Cash at bank and in hand		<u>27,072</u>
		28,778
Creditors: amounts falling due within one year	16	<u>2,787</u>
Net current assets		25,991
Total assets less current liabilities		<u>27,433</u>
Net assets		<u>27,433</u>
Funds of the charity		
Restricted funds		20,922
Unrestricted funds		<u>6,511</u>
Total charity funds	18	<u>27,433</u>

These financial statements were approved by the board of trustees and authorised for issue on 14 May 2021 and are signed on behalf of the board by:


Mr G D Young
Trustee

The notes on pages 7 to 14 form part of these financial statements.

Northern Heartlands

Notes to the Financial Statements

Period from 13 November 2019 to 31 March 2021

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 3 Witham Studios, Hall Street, Barnard Castle, DL12 8JB.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Northern Heartlands

Notes to the Financial Statements *(continued)*

Period from 13 November 2019 to 31 March 2021

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Northern Heartlands

Notes to the Financial Statements *(continued)*

Period from 13 November 2019 to 31 March 2021

3. Accounting policies *(continued)*

Depreciation

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

Fixtures and fittings	-	20% straight line
Equipment	-	20% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

Northern Heartlands

Notes to the Financial Statements *(continued)*

Period from 13 November 2019 to 31 March 2021

4. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Donations	2,801	–	2,801
Donated Assets	1,823	–	1,823
DCC Contribution towards CIO costs	2,000	–	2,000
Grants			
Job Retention Scheme	5,074	–	5,074
AAP Shildon Model Railway Club	–	500	500
DCC Covid 19 Business Support	12,238	–	12,238
ACE under £15k	–	14,705	14,705
ACE Covid Emergency Response Fund	–	34,240	34,240
CDCF Thriving Communities	–	5,000	5,000
AAP Three Towns	–	8,186	8,186
CDCF Dragons Teeth & Waterfalls	–	5,648	5,648
	<u>23,936</u>	<u>68,279</u>	<u>92,215</u>

5. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Irish Tourist Board Fee	700	–	700
Artists Network	2,988	–	2,988
Love & Soil	–	2,500	2,500
	<u>3,688</u>	<u>2,500</u>	<u>6,188</u>

6. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Education in Arts	4,142	34,090	38,232
Support costs	21,005	11,733	32,738
	<u>25,147</u>	<u>45,823</u>	<u>70,970</u>

7. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2021 £
Education in Arts	38,232	31,106	69,338
Governance costs	–	1,632	1,632
	<u>38,232</u>	<u>32,738</u>	<u>70,970</u>

Northern Heartlands

Notes to the Financial Statements *(continued)*

Period from 13 November 2019 to 31 March 2021

8. Analysis of support costs

	Education in Arts £	Total 2021 £
Staff costs	25,718	25,718
Premises	3,306	3,306
Communications and IT	907	907
General office	331	331
Governance costs	1,632	1,632
Depreciation	521	521
Other costs	323	323
	<u>32,738</u>	<u>32,738</u>

9. Net income

Net income is stated after charging/(crediting):

	31 Mar 21 £
Depreciation of tangible fixed assets	<u>521</u>

10. Independent examination fees

	Period from 13 Nov 19 to 31 Mar 21 £
Fees payable to the independent examiner for: Independent examination of the financial statements	1,200
Other financial services	432
	<u>1,632</u>

11. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	Period from 13 Nov 19 to 31 Mar 21 £
Wages and salaries	25,151
Employer contributions to pension plans	567
	<u>25,718</u>

The average head count of employees during the period was 2.

No employee received employee benefits of more than £60,000 during the year.

Northern Heartlands

Notes to the Financial Statements *(continued)*

Period from 13 November 2019 to 31 March 2021

11. Staff costs *(continued)*

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £25,718.

12. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity were received by the trustees.

No trustee expenses have been incurred.

13. Transfers between funds

The transfers from restricted funds into unrestricted funds relate to the element of funding which provides for a contribution towards the core running costs of the charity.

14. Tangible fixed assets

	Fixtures and fittings £	Equipment £	Total £
Cost			
At 13 November 2019	–	–	–
Additions	600	1,363	1,963
At 31 March 2021	<u>600</u>	<u>1,363</u>	<u>1,963</u>
Depreciation			
At 13 November 2019	–	–	–
Charge for the period	170	351	521
At 31 March 2021	<u>170</u>	<u>351</u>	<u>521</u>
Carrying amount			
At 31 March 2021	<u>430</u>	<u>1,012</u>	<u>1,442</u>

15. Debtors

	31 Mar 21 £
Prepayments and accrued income	14
Other debtors	1,692
	<u>1,706</u>

Northern Heartlands

Notes to the Financial Statements *(continued)*

Period from 13 November 2019 to 31 March 2021

16. Creditors: amounts falling due within one year

	31 Mar 21
	£
Trade creditors	414
Accruals and deferred income	1,488
Social security and other taxes	885
	<u>2,787</u>

17. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £567.

18. Analysis of charitable funds

Unrestricted funds

	At 13 Nov 2019	Income	Expenditure	Transfers	At 31 Mar 2021
	£	£	£	£	£
General funds	–	<u>27,624</u>	<u>(25,147)</u>	<u>4,034</u>	<u>6,511</u>

Restricted funds

	At 13 Nov 2019	Income	Expenditure	Transfers	At 31 Mar 2021
	£	£	£	£	£
AAP Shildon Model					
Railway Club	–	500	(500)	–	–
ACE Under £15k	–	14,705	(12,080)	(2,625)	–
ACE Covid Emergency					
Response	–	34,240	(32,831)	(1,409)	–
CDCF Thriving					
Communities	–	5,000	–	–	5,000
AAP Three Towns	–	8,186	–	–	8,186
CDCF Dragons Teeth &					
Waterfalls	–	5,648	–	–	5,648
Love & Soil	–	2,500	(412)	–	2,088
	<u>–</u>	<u>70,779</u>	<u>(45,823)</u>	<u>(4,034)</u>	<u>20,922</u>

Northern Heartlands

Notes to the Financial Statements *(continued)*

Period from 13 November 2019 to 31 March 2021

18. Analysis of charitable funds *(continued)*

Purpose of restricted funds

AAP Shildon Model Railway Club	To fund the delivery of an arts project in Eldon Lane;
ACE Under £15k	To fund organisational development and research;
ACE Covid Emergency Response	To support the charity during the pandemic and fund the 'Creativity in Crisis' programme;
CDCF Thriving Communities	To support the 'Thriving Communities' project work;
AAP Three Towns	To fund the 'Creativity in Crisis' programme;
CDCF Dragons Teeth & Waterfalls	To fund the creation of a music video;
Love & Soil	To fund the conception, development and management of a series of 'slow conversations' through digital means.

19. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	1,442	–	1,442
Current assets	7,856	20,922	28,778
Creditors less than 1 year	(2,787)	–	(2,787)
Net assets	<u>6,511</u>	<u>20,922</u>	<u>27,433</u>

20. Related parties

During the period there were no related party transactions requiring disclosure.