

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.

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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.

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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
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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.

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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.

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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
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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
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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.

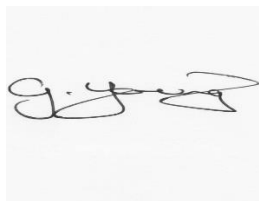
The Trustees are responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charity.

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:

A handwritten signature in black ink, appearing to read 'G. Young', is written over a light grey rectangular background.

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.

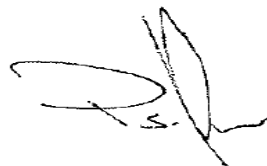
Independent Examiner's Statement

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

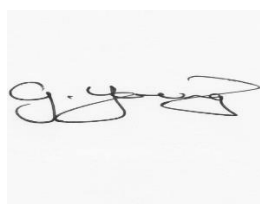
All the activities for the year are continuing activities.

NORTHERN HEARTLANDS CIO
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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
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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
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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
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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
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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.

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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

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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

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

	2022	2021
	No.	No.

Artistic Education/Learning Programmes/Management	4	2
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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).

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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

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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	-			
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

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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 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

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.