

**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**

<b>Registered Charity Number</b>	1186306
<b>Registered Office</b>	3 Witham Studios, Hall Street, Barnard Castle DL12 8JB
<b>Independent Examiner</b>	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.

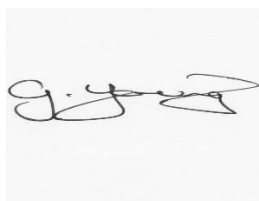
The Trustees are responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charity.

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').

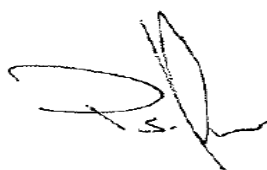
Having satisfied myself that the accounts of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). 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 £
<b>Income</b>					
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
<b>Total Income</b>		<b>56,682</b>	<b>69,942</b>	<b>126,624</b>	<b>432,526</b>
<b>Expenditure</b>					
Expenditure on Raising Funds	5	-	5,600	5,600	-
Expenditure on Charitable Activities	6	66,460	179,662	246,122	225,084
<b>Total Expenditure</b>		<b>66,460</b>	<b>185,262</b>	<b>251,722</b>	<b>225,084</b>
<b>Net Income/(Expenditure)</b>	7	<b>(9,778)</b>	<b>(115,320)</b>	<b>(125,098)</b>	<b>207,442</b>
Balance brought forward		(17,135)	252,010	234,875	27,433
<b>Balance carried forward at 31 March</b>	13	<b>£(26,913)</b>	<b>£136,690</b>	<b>£109,777</b>	<b>£234,875</b>

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

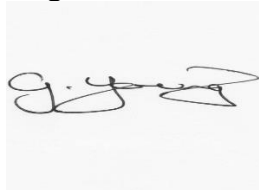
All the activities for the year are continuing activities.

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

	Notes	2023 £	2022 £
<b>Fixed Assets</b>			
Tangible Fixed Assets	10	3,838	1,591
<b>Current Assets</b>			
Debtors	11	122,596	209,886
Cash at Bank and In Hand		16,433	32,964
		<u>139,029</u>	<u>242,850</u>
<b>Creditors:</b>			
Amounts Falling Due Within 1 Year	12	(33,090)	(9,566)
<b>Net Current Assets</b>		<u>105,939</u>	<u>233,284</u>
<b>Total Net Assets</b>		<u><b>£109,777</b></u>	<u><b>£234,875</b></u>
<b>Represented By:</b>			
Unrestricted Funds	13, 14	(26,913)	(17,135)
Restricted Funds	13, 14	136,690	252,010
		<u><b>£109,777</b></u>	<u><b>£234,875</b></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 £
<b>Grant Income</b>				
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
	-	<b>60,082</b>	<b>60,082</b>	<b>398,575</b>
<b>Donations</b>				
General Donations	275	-	275	263
	<b>£275</b>	<b>£60,082</b>	<b>£60,357</b>	<b>£398,838</b>

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	-
	<b>£56,407</b>	<b>£9,860</b>	<b>£66,267</b>	<b>£33,688</b>

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**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fundraising Consultancy	-	5,600	5,600	-
	<b>£-</b>	<b>£5,600</b>	<b>£5,600</b>	<b>£-</b>

**6. Expenditure on Charitable Activities**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Direct Costs</b>				
Project Costs	6,969	92,823	99,792	100,430
Marketing Costs	1,346	-	1,346	1,146
<b>Support Costs</b>				
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
<b>Governance Costs</b>				
Independent Examination	1,200	-	1,200	1,200
Other Accountancy Services	2,541	-	2,541	1,032
	<b>£66,460</b>	<b>£179,662</b>	<b>£246,122</b>	<b>£225,084</b>

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

**7. Net Income/(Expenditure)**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
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**

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

The average monthly number of staff employed during the year was as follows:	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>

Artistic Education/Learning Programmes/Management	4	4
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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**

	<b>Fixtures &amp; Fittings</b>	<b>IT &amp; Office Equipment</b>	<b>Total Fixed Assets</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
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
<b>Accumulated Depreciation</b>			
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
<b>Net Book Value</b>			
At 31 March 2023	<b>£947</b>	<b>£2,891</b>	<b>£3,838</b>
At 1 April 2022	£852	£739	£1,591

**11. Debtors**

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

**12. Creditors - Amounts Falling Due Within One Year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
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
	<b>£33,090</b>	<b>£9,566</b>

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**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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)
	<b>£(26,913)</b>	<b>£136,690</b>	<b>£109,777</b>	<b>£234,875</b>

**14. Analysis of Charitable Funds**

	<b>Fund at 1 April 2022</b>	<b>Income for Year</b>	<b>Expenditure for Year</b>	<b>Fund at 31 March 2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted General Fund</b>	<b>(17,135)</b>	<b>56,682</b>	<b>(66,460)</b>	<b>(26,913)</b>
<b>Restricted Funds</b>				
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)	-
<b>Total Restricted Funds</b>	<b>252,010</b>	<b>69,942</b>	<b>(185,262)</b>	<b>136,690</b>
<b>Total Funds</b>	<b>£234,875</b>	<b>£126,624</b>	<b>£(251,722)</b>	<b>£109,777</b>

<b>Name of Restricted Fund</b>	<b>Description, Nature &amp; Purpose of the Restricted Fund</b>
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.)**

<b>Name of Restricted Fund</b>	<b>Description, Nature &amp; Purpose of the Restricted Fund</b>
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.