

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.

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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
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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
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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.

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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, woodwork, 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.

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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](https://627b35_d857c078b41e47ec855e4bf708795800.pdf@northernheartlands.org) 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+.



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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.

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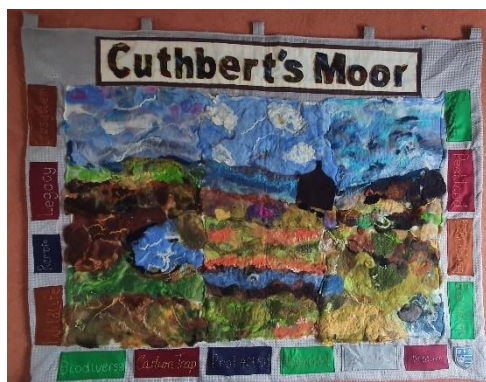
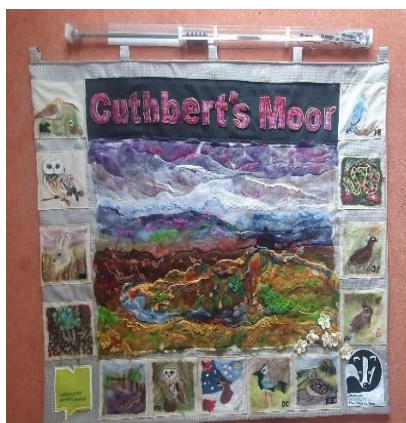
ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

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.

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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
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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.

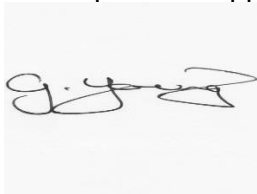
The Trustees are responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charity.

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').

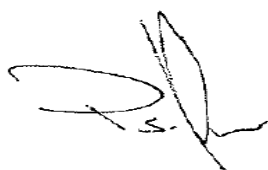
Having satisfied myself that the accounts of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). 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

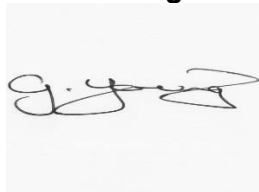
All the activities for the year are continuing activities.

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
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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.

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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	£-

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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.

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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

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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

The average monthly number of staff employed during the year was as follows:	2024	2023
	No.	No.

Artistic Education/Learning Programmes/Management	4	4
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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
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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.

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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

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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.