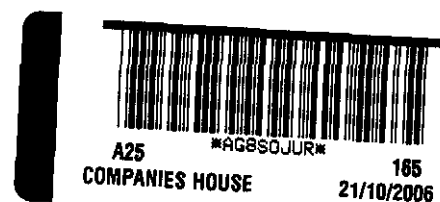


**TEES VALLEY ARTS**  
**(A company limited by guarantee)**  
**REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 2006**

Charity Number : 515369

Company Number : 1656560



## TEES VALLEY ARTS

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**TEES VALLEY ARTS**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2006**

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31st March 2006. This report has been prepared in accordance with the special provisions of Part VII of The Companies Act 1985 relating to small companies.

**Reference and administrative information**

Charity name:	Tees Valley Arts
Charity registration number:	515369
Company registration number:	1656560
Registered office and operational address:	3rd Floor Melrose House Melrose Street Middlesbrough TS1 2HZ

**Directors and Trustees**

Under the Articles of Association the Board of Management, who are the trustees of the charity, will consist of not less than 14 and up to 18 Directors constituted as follows:-

- |       |  |
|-------|--|
| Four  | Directors nominated by Arts Council England, North East. These are shown below by (*).<br>(Term of Office: One year, renewable).   |
| Ten   | Directors chosen by the Board of Management to reflect the arts interests in the community including education, the media, industry and commerce, the major arts organisations and local authorities in the area. These are shown below by (**).<br>(Term of Office: One year, renewable). |
| Three | Directors elected by all Members of the company who are present at the Annual General Meeting. These are shown below by (***).<br>(Term of Office: One year, renewable).   |
| One   | Director co-opted by the Board of Management. There is no such director in place at the moment. (Term of Office: One year, renewable).   |

## TEES VALLEY ARTS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2006

#### Directors and Trustees

The trustees who served during the year were:-

Mr G Bates	(**)	
Mr A Campbell	(*)	(Chair & Co. Secretary)
Ms C Cooke	(**)	Resigned 7 <sup>th</sup> March 2006
Revd R Cooper	(***)	
Cllr A Cunningham	(**)	Resigned 24 <sup>th</sup> February 2006
Mr N Etherington	(*)	Resigned 19 <sup>th</sup> May 2005
Mr C Frere-Smith	(***)	Resigned 26 <sup>th</sup> February 2006
Mrs E Hardwick	(**)	
Mr K Howard	(**)	
Cllr J Kennedy	(**)	
Cllr W Kerr	(**)	
Prof. P Manning	(**)	
Cllr J O'Donnell	(**)	Appointed 6 <sup>th</sup> March 2006
Mr J Pendleton	(**)	
Ms S Robson	(**)	Appointed 19 <sup>th</sup> May 2005
Prof. G Roper	(*)	Appointed 17 <sup>th</sup> October 2005
Mrs F Sangowawa	(**)	
Mr R Stanko	(**)	Appointed 21 <sup>st</sup> April 2005
Mr T Teasdel	(***)	

#### Director

Rosi Lister

#### Auditors

S V Bye, New Garth House, Upper Garth Gardens, Guisborough, TS14 6HA.

#### Bankers

HSBC plc 60 Albert Road Middlesbrough.

**TEES VALLEY ARTS**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2006**

**Structure, governance and management**

Governing document

**Tees Valley Arts** is a company limited by guarantee, incorporated on 5<sup>th</sup> August 1982, and a registered charity governed by its memorandum and articles of association as amended by special resolutions passed 3<sup>rd</sup> May 1984, 5<sup>th</sup> June 1984, 2<sup>nd</sup> December 1987, 18<sup>th</sup> March 1996 and 4<sup>th</sup> December 2000. On 5<sup>th</sup> September 2003, the charity changed its name from Cleveland Arts to **Tees Valley Arts**. In the event of the company's being wound up, each of the members has pledged to contribute an amount not exceeding £1.

The Memorandum and Articles of Association of the charity state its principal objects to be "to promote, maintain and encourage for the education of the public, the development of the whole range of arts activity in the area currently known as the Tees Valley and its environs including drama, dance, music, opera, ballet, visual arts, photography, exhibitions, crafts, films, literature and community arts, for all members of the local community, without regard to disability, ethnic background, sexuality, age, gender, ability or religious or other belief."

**Tees Valley Arts** continues to work to develop the arts in the Boroughs of Hartlepool, Middlesbrough, Redcar and Cleveland, Stockton on Tees and Darlington. It aims to develop art projects with a wide range of people, to develop audiences for a range of arts events, to support locally-based artists and to liaise with other arts providers.

**Tees Valley Arts** works in partnership with local authorities, building developers, architects, social services, the education sector, business, artists and local people to develop arts projects.

Recruitment and appointment of the Trustees

The charity's policy for recruitment of Trustees is shown on page 2 above.

Trustee induction and training

All new trustees are issued with a copy of the Memorandum and Articles of Association, the most recent, audited accounts and any relevant Charity Commission publications relating to their role as Trustee. They are also encouraged to visit the office and speak to staff about the charity's activities. All trustees are given details of relevant external courses and encouraged to attend.

Risk management

The charity has produced a business plan which determines the policies, strategies, aims and objectives of the organisation over a 3 year period while fully taking into account external threats and opportunities. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

**TEES VALLEY ARTS**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2006**

Organisational Structure

A board of trustees of between 14 and 18 members, who meet quarterly, administers the charity. A Chief Executive, whose title is Director but they are not a director for the purposes of the Companies Act 1985, is appointed by the trustees to manage the day-to-day operations of the charity.

Related Parties

The charity has a very close relationship with Arts Council England, North East, which is itself a charity. It can nominate trustees and provides funding to enable the charity to carry out its charitable objects. A summary of transactions with this party is shown in note 12 to the Financial Statements.

**Objectives and Activities**

The Memorandum and Articles of Association of the charity state its principal objects to be “to promote, maintain and encourage for the education of the public, the development of the whole range of arts activity in the area currently known as the Tees Valley and its environs including drama, dance, music, opera, ballet, visual arts, photography, exhibitions, crafts, films, literature and community arts, for all members of the local community, without regard to disability, ethnic background, sexuality, age, gender, ability or religious or other belief.”

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**Tees Valley Arts** works in partnership with local authorities, building developers, architects, social services, the education sector, business, artists and local people to develop arts projects.

## TEES VALLEY ARTS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2006

#### Achievements and performance

##### Community Programme

During 2005/06 the three year ERDF funded **In:volve** social inclusion programme came to a successful completion. In:volve 1 and In:volve 2 included a total of nine projects each focusing on a different socially inclusive theme. These projects were entitled; You Are Here, small world: Big Drums, Phoenix Arts, Gallery TS1, Shoot your Mouth Off, Roaring Mouse, Tees Valley Creatives (Inkspot, and Metalworks) and 1:3 Sigma.

Themes included mental health, physical and learning ability, domestic abuse, young people, refugee communities and seeking asylum. Art forms included music, drama, film, graphic design, and creative writing. The two programme strands sought to “promote diversity, inclusion and sustainability in the Tees Valley; establishing capacity in target communities via [creative and participative activities and] contributing to accelerating renaissance and employment by investing in sustainable communities”. Six of seven social enterprises were successfully ‘fledged’ and £30,000 was generated from resulting artworks and other saleable resources. Gallery TS1 continues to work particularly successfully and has subsequently received further support from Middlesbrough Council via ERDF until 2009.

In March 2006 Tees Valley Arts piloted the first **Winterfest** Festival of World Music and Culture. This event ran over three days and showcased local, regional, national and international artists from 15 countries including Iraq, Iran, Kurdistan, Zimbabwe, Congo, Palestine, Egypt, the Caribbean, South America and Nigeria. The Winterfest pilot took place in Middlesbrough and attracted a mixed race audience of approximately 600. Winterfest 2006 cost £23,100 which was secured through funding provided by Northern Rock Foundation, Arts Council England North East, Middlesbrough Council and ticket sales.

##### Education Programme

During 2005/06 the **Evolve Science through the Arts** programme was launched in partnership with the North East Processing Industries Cluster (NEPIC) and funded through the Tees Valley Partnership Investment Fund to a total of £200,000 over two years. The programme seeks to raise aspirations. This year Evolve has worked with 7 special schools, trained 6 artists, delivered INSET training to 45 science teachers, delivered cross curricular training to 50 student teachers and intensive training sessions to a further 18 student teachers.

In addition to Evolve, the **Art:Works** programme of small school ‘seed’ projects has begun to develop under the coordination of an Art:Works coordinator and during this year £3,000 worth of projects have come to fruition.

The **Waveband** and **Lifecycle** projects continued to encourage school children to explore the environment and sustainability issues through music and performance with support from the Grants for the Arts fund and in the case of Lifecycle additional support from NEPIC and the Education through the Arts, Science and Industry (EASI) programme.

## TEES VALLEY ARTS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2006

#### Staff Profile

During 2005/06 the previous Director; Lesley Featherstone resigned from Tees Valley Arts in July 2005. After a difficult recruitment drive the new Director; Rosi Lister was appointed in August but due to an extended notice period did not arrive until November 2005. Clive Rawson's Fundraising contract came to an end and was not renewed.

Janette Pratt remains the Education Programme Manager, Andrea Williams the Administrator (Finance), Simon Smith finished his contract as Administrative Officer, on the 31<sup>st</sup> March 06, Andy Wray finished his contract as Administrative Assistant, on the 31<sup>st</sup> March 06. Both these contracts were extended until 30<sup>th</sup> June 2006 with funding provided by the Arts Council North East. Tim Coyte continued as Education Projects Officer.

#### Strategic Planning

Between December 2005 and March 2006 a new strategic plan was developed after widespread consultation with Tees Valley partners. This document sets out Tees Valley Arts' vision to expand and develop as a regional Arts Development Agency working within and across the public realm. Tees Valley Arts retains a strong commitment to Cultural Education and Community Development, but will expand its horizons by embracing all aspects of social, physical and cultural revitalisation. New staff will be appointed and a clearer staffing structure developed. All quality assurance mechanisms will be reviewed and robust procedures adopted.

#### Strategic Profile

During the spring of 2006 key strategic partnerships have been formed. These include Local Authority Cultural Services, Children's Services, and Regeneration Teams, NEPIC, MIMA, Strategic Health Authorities, Government Office North East Drugs Intervention Programme (GONE DIP), the Regional Development Agency (ONE), Tees Valley Wildlife Trust, Groundwork South Tees, the RSPB, INCA, Commissions North, Tees Valley Partnerships and Tees Valley Tourism Bureau, NEMLAC and the Arts Council.

Tees Valley Arts are now members of the **North East Tourism and Cultural Network**, **TV DCMS, First For Festivals Group**, and the **ONE Regional Economic Strategy (RES) Cultural working group**.

Tees Valley Arts continue to Chair and administer the **Tees Valley Education and Arts Forum**, and regularly attends the **TV Strategic Arts Officers Group**.

Tees Valley Arts sit on the Board of **Saltburn Artists Project**.

#### Fundraising

2006 saw the end of three years of ERDF funding which supported the Community Programme.

As the Director moved to pastures new, a gap in funding was unfortunately experienced. However, the new strategic plan identifies a need to adopt a more commercial 'full cost recovery' model as a not-for-profit organisation and registered charity.

The new Director has implemented plans to increase funding targets and employ fundraising methodologies that maximise access to a broad range of revenue and activity funding. Tees Valley Arts are seeking revenue funding from the Northern Rock Foundation for three years to support strategic development and infrastructure. This funding will effectively increase the capacity of the organisation. The Director leads on fundraising issues. Programme Managers support the Director in developing applications.



## TEES VALLEY ARTS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2006

#### Future Plans

Implement the first phase of the new Strategic Plan. Launch and secure fiscal support for four thematic programmes: Heritage & Environment, Aspiration & Achievement, Cultural Diversity & Well Being and Regeneration. Community development and Education will form cross cutting themes, and developing a central role for providing support and training for artists is pivotal to Tees Valley Arts plans.

The next three years will see a move toward the development of wide reaching strategic programmes that align priorities with key stakeholders. The reintroduction of Public Art is also recognised to be a particular opportunity in the Tees Valley in respect of a growing profile for Culture within the regional regeneration agenda.

#### **Financial review**

There has been a decrease in general reserves in the period, but the trustees are confident that the future plans and fundraising programme detailed above will permit the charity to again build up its general reserves.

#### Reserves policy

It is the policy of the charity that, in order to maximise the amount of funding available for arts activities, that unrestricted funds not committed or invested in tangible fixed assets ('the free reserves') held by the charity should not exceed £25000. At 31<sup>st</sup> March 2006 the level of free reserves was £19205.

This policy will be regularly reviewed by the trustees in the light of prevailing financial circumstances.

#### Investment policy

The charity invests its surplus funds according to its anticipated short and medium term needs. At present bank deposit accounts are considered to be the most suitable medium. The trustees will continue to review this policy.

## TEES VALLEY ARTS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2006

#### Responsibilities of the Trustees

Company law requires the trustees, who are directors of the company for the purpose of company law, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company 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 charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees  
and authorised to sign on their behalf

W Kerr



Trustee  
4<sup>th</sup> September 2006

## **Independent Auditors' Report to the Members of**

### **Tees Valley Arts**

We have audited the financial statements of **Tees Valley Arts** for the year ended 31<sup>st</sup> March 2006 which comprise the Statement of Financial Activities, Balance sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein .

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the trustees and the auditors**

As described in the Statement of Trustees' Responsibilities the trustees (who are also the directors of **Tees Valley Arts** for the purposes of company law) are responsible for the preparation of the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the charity is not disclosed.

We read other information contained in the Trustees' Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or by other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.


**Independent Auditors' Report to the Members of  
Tees Valley Arts**

**Opinion**

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the charity's state of affairs as at 31<sup>st</sup> March 2006 and of its incoming resources and application of resources including its income and expenditure in the year then ended;
- and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

New Garth House  
Upper Garth Gardens  
Guisborough  
TS14 6HA

  
S V Bye  
Chartered Accountants  
Registered Auditors  
7<sup>th</sup> September 2006

**TEES VALLEY ARTS**  
**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE**  
**ACCOUNT) FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2006**

	NOTE	Unrestricted £	Restricted £	Total Funds 2006 £	Total Funds 2005 £
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds</b>					
<i>Voluntary income</i>					
Donations and grants for core funding	2	128894	-	128894	10104
<i>Investment income - bank interest</i>		1469	-	1469	2680
<b>Incoming resources from charitable activities</b>					
Grants and contracts for promotion of arts activities in the area	3	475437	-	475437	341042
<b>Total Incoming Resources</b>		605800	-	605800	444826
<b>RESOURCES EXPENDED</b>					
<b>Charitable activities</b>	4	598362	-	598362	471958
<b>Governance costs</b>	4	17992	-	17992	14969
<b>Total Resources Expended</b>	4	616354	-	616354	486927
<b>Net resources expended</b>					
- Net deficit for the year		(10554)	-	(10554)	(42101)
Total funds at 1 <sup>st</sup> April		29759	-	29759	71860
Transfers		-	-	-	-
<b>Total funds at 31<sup>st</sup> March</b>	11	19205	-	19205	29759

The notes on pages 14 to 19 form part of these accounts.

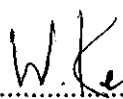
**TEES VALLEY ARTS**  
(Limited by Guarantee, not having a share capital)

**BALANCE SHEET**

**AS AT 31<sup>ST</sup> MARCH 2006**

	NOTE	£	2006	£	2005	£
<b>FIXED ASSETS</b>						
Tangible assets	7		-		-	
<b>CURRENT ASSETS</b>						
Debtors	8	166122		55360		
Cash at bank and in hand		39036		68884		
		<hr/>		<hr/>		
		205158		124244		
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	9	(185953)		(94485)		
		<hr/>		<hr/>		
<b>NET CURRENT ASSETS</b>			19205		29759	
			<hr/>		<hr/>	
<b>NET ASSETS</b>			19205		29759	
			<hr/>		<hr/>	
<b>FUNDS</b>						
Unrestricted	11		19205		29759	
Restricted	11		-		-	
			<hr/>		<hr/>	
			19205		29759	
			<hr/>		<hr/>	

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies, and The Financial Reporting Standard for Smaller Entities (effective January 2005).

.....W KERR.......... DIRECTOR AND TRUSTEE

Approved by the Board: 4<sup>th</sup> September 2006  
and signed on its behalf by the above.

The notes on pages 14 to 19 form part of these accounts.

**TEES VALLEY ARTS**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2006**

**1. ACCOUNTING POLICIES**

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) issued in March 2005, the Financial Reporting Standard for Smaller Entities (effective January 2005) and the Companies Act 1985. The principal accounting policies adopted in the preparation of the financial statements are as follows:

**INCOMING RESOURCES**

**Donations and grants**

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable, except when donors specify that donations must be used in future accounting periods, when the income is deferred until those periods. Donated services and facilities are included at the value to the charity, where this can be quantified.

**Contracts for the provision of services**

Such income, which takes the form of grants and fees for services, is included in incoming resources when receivable except where it has been received in advance of the provision of the service. In these cases the income is deferred until the particular service is provided in full.

**Interest receivable**

Interest is included when receivable by the charity.

**RESOURCES EXPENDED**

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

**Operating leases**

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

**TANGIBLE FIXED ASSETS**

Tangible fixed assets are depreciated on a straight-line basis over their estimated useful lives as follows:-

	Annual rate
Office equipment	25%
Theatre equipment	25%

# TEES VALLEY ARTS

## NOTES TO THE ACCOUNTS

### 2. DONATIONS AND GRANTS FOR CORE FUNDING

	Unrestricted	
	Total 2006 £	Total 2005 £
Arts Council Northern England-Core	70104	70104
Middlesbrough Council- Grant	4000	4000
Middlesbrough Council-Donated premises	37790	37555
Hartlepool Borough Council	4000	4000
Stockton on Tees Borough Council	4000	4000
Redcar and Cleveland Borough Council	4000	4000
Darlington Borough Council	5000	5000
	<hr/> 128894	<hr/> 128659
	<hr/>	<hr/>

### 3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted £	Restricted £	2006 £	2005 £
Social Inclusion	283737	-	283737	260282
Education	128208	-	128208	75565
Regeneration and creative resources	11000	-	11000	-
Fees	27777	-	27777	-
Miscellaneous	24715	-	24715	5195
	<hr/> 475437	<hr/> -	<hr/> 475437	<hr/> 341042
	<hr/>	<hr/>	<hr/>	<hr/>

### 4. TOTAL RESOURCES EXPENDED

	Basis of Allocation	Charitable Activities £	Governance Costs £	Total 2006 £	Total 2005 £
<b>Costs directly allocated to activities</b>					
Staff costs	Direct	40510	-	40510	55157
Project costs	Direct	423217	-	423217	312193
Audit and accountancy	Direct	-	3033	3033	3931
Depreciation	Direct	-	-	-	5268
<b>Support costs allocated to activities</b>					
Staff costs	Usage	62535	6948	69483	41788
General office costs	Usage	38089	4232	42321	58590
Donated premises costs	Usage	34011	3779	37790	37555
		<hr/> 598362	<hr/> 17992	<hr/> 616354	<hr/> 514482
		<hr/>	<hr/>	<hr/>	<hr/>



**TEES VALLEY ARTS**  
**NOTES TO THE ACCOUNTS**

**4. TOTAL RESOURCES EXPENDED (continued)**

Total resources expended include:

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Auditors remuneration:		
- Audit fee	2300	2300
- Accounting and other services	733	1486
Depreciation of owned assets	-	5268
	<u>          </u>	<u>          </u>

**5. TRUSTEES REMUNERATION**

The trustees neither received nor waived any emoluments during the year (2005 : £NIL).

No out of pocket expenses were reimbursed to any of the trustees.

**6. STAFF COSTS**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Wages and salaries	87874	88362
Freelance director's cover	9000	-
Other freelance payments	4730	-
Social security costs	8389	8583
	<u>109993</u>	<u>96945</u>

No employee earned more than £60000 in the year (2005 : NIL)

The average number of employees, calculated on a full time equivalent basis, was:

	<b>2006</b>	<b>2005</b>
Chief Executive	1	1
Arts officers	1	1
Administration and support staff	3	2
	<u>5</u>	<u>4</u>

**TEES VALLEY ARTS**  
**NOTES TO THE ACCOUNTS**

**7. TANGIBLE FIXED ASSETS**

	<b>Office Equipment £</b>	<b>Theatre Equipment £</b>	<b>Total £</b>
<b>COST</b>			
At 1 <sup>st</sup> April 2005	74036	7544	81580
Additions	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 <sup>st</sup> March 2006	74036	7544	81580
	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>			
At 1 <sup>st</sup> April 2005	74036	7544	81580
Charge for the year	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 <sup>st</sup> March 2006	74036	7544	81580
	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>			
At 31 <sup>st</sup> March 2006	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 <sup>st</sup> March 2005	-	-	-
	<hr/>	<hr/>	<hr/>

There were no commitments to capital expenditure at 31<sup>st</sup> March 2006 and 31<sup>st</sup> March 2005.

**8. DEBTORS**

	<b>2006 £</b>	<b>2005 £</b>
Trade debtors	159233	52226
Prepayments	3131	3134
VAT	3758	-
	<hr/>	<hr/>
	166122	55360
	<hr/>	<hr/>

All debtors are due within one year.

**9. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2006 £</b>	<b>2005 £</b>
Creditors & accruals	37194	4953
Social security and other taxes	2563	2563
Deferred income (see below - note 10)	146196	86969
	<hr/>	<hr/>
	185953	94485
	<hr/>	<hr/>

# TEES VALLEY ARTS

## NOTES TO THE ACCOUNTS

<b>10. DEFERRED INCOME</b>	<b>2006</b>
	<b>£</b>
Balance at 1 <sup>st</sup> April 2005	86969
Amount released to incoming resources	(86969)
Amount deferred in the year	146196
	<hr/>
Balance at 31 <sup>st</sup> March 2006	146196
	<hr/>

Deferred income represents grants received which have been specified by the donor for use in future periods and also fees and grants for arts projects received in advance of the provision of the particular service to be provided.

## 11. STATEMENT OF FUNDS

	<b>Balance at 31<sup>st</sup> March 2005</b>	<b>Incoming Resources</b>	<b>Resources Expended</b>	<b>Transfers</b>	<b>Balance at 31<sup>st</sup> March 2006</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted funds	29759	605800	(616354)	-	19205
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	29759	605800	(616354)	-	19205
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

## 12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	-	-	-
Current assets	205158	-	205158
Current liabilities	(185953)	-	(185953)
Net assets at 31 <sup>st</sup> March 2006	<hr/> 19205 <hr/>	<hr/> - <hr/>	<hr/> 19205 <hr/>

# TEES VALLEY ARTS

## NOTES TO THE ACCOUNTS

### 13. RELATED PARTIES

The charity has a close relationship with Arts Council England, North East which is itself a charity. It provides funding to enable the charity to carry out its charitable objects.

The following is a summary of transactions with this party.	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
<b>Grants for core funding</b>		
Arts Council England, North East	70104	70104
	<hr/>	<hr/>

This income has been included in the financial statements under the heading 'Voluntary Income' in Incoming Resources.

<b>Grants and fees paid for services provided</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Arts Council England, North East	37972	22500
	<hr/>	<hr/>

This income has been included in the financial statements under the heading "Grants and contracts for promotion of arts activities in the area" in Incoming Resources.

At 31<sup>st</sup> March 2006 there were no balances due either to or from related parties. (2005: £Nil)