

TEES VALLEY ARTS
(A company limited by guarantee)
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2008

Charity Number : 515369

Company Number : 1656560

TUESDAY



AXSD07GZ

A65

17/02/2009

114

COMPANIES HOUSE

TEES VALLEY ARTS

Contents	Page
Report of the trustees	2
Report of the auditors	13
Statement of financial activities	15
Balance sheet	16
Notes forming part of the financial statements	17

TEES VALLEY ARTS
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2008

The trustees are pleased to present their report together with the audited financial statements of the charity for the year ended 31st March 2008. 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:	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 (*).
(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 (**).
(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 (***).
(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 31ST MARCH 2008

Directors and Trustees

The trustees who served during the year were:-

Cllr S Akers-Belcher	(**)	Resigned 12.06.07
Mr G Bates	(**)	
Mr A Campbell	(*)	(Chair & Co. Secretary)
Miss H Campion	(***)	
Mr K Edwards	(*)	Appointed 07.08.07
Mrs E Hardwick	(**)	Resigned 18.09.07
Mr K Howard	(**)	
Cllr W Kerr	(**)	
Cllr P Laffey	(**)	Appointed 12.06.07
Prof. P Manning	(**)	
Mr C Monty	(***)	
Cllr J O'Donnell	(**)	Resigned 04.06.07
Mr J Pendleton	(**)	
Ms S Robson	(*)	Resigned 21.08.07
Prof. G Roper	(*)	
Mrs F Sangowawa	(**)	
Mr R Stanko	(**)	Resigned 01.10.07
Mr T Teasdel	(***)	Resigned 19.09.07
Cllr M Womphrey	(**)	Appointed 04.06.07

Director

Rosi Lister (Until July 2008)

Acting Director

Rowena Sommerville (From July 2008)

Auditors

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

Bankers

HSBC plc 60 Albert Road Middlesbrough.

Structure, governance and management

Governing document

Tees Valley Arts is a company limited by guarantee, incorporated on 5th August 1982, and a registered charity governed by its memorandum and articles of association as amended by special resolutions passed 3rd May 1984, 5th June 1984, 2nd December 1987, 18th March 1996 and 4th December 2000.

On 5th 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
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2008

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.

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."

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.

TEES VALLEY ARTS
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2008

Achievements and performance

INTRODUCTION

TVA has, as always, negotiated a year in which much has been asked, much has been delivered, and much fleetness of foot has been required to negotiate a changing landscape, particularly in regard to funding channels, historic, present and future. We have continued to implement activities under the four themes of:

- Aspiration and Achievement
- Heritage and Environment
- Cultural Diversity and Wellbeing
- Regeneration and Creative Resources

The cessation of certain strands of European funding, the events at Northern Rock and their effect on the Northern Rock Foundation, together with the increasing competition for charitable funds, and the inevitable focusing of broadly 'cultural' monies towards the Olympics, have all added to a more difficult economic climate. TVA has aimed and is aiming to further diversify all potential income streams to include more commissioned work, more Service Level Agreements, and more statutory contracts alongside the more traditional charitable grant applications.

TVA remains an organisation which champions the arts, creative activities, cultural learning, cultural engagement – pick whichever term best suits – as a tool for improving the quality of life for individuals and communities; be they disengaged young people falling off the bottom of the UK ladder of success, able young people with degrees who want to work in the arts, groups of people who face particular challenges through for example, disability or substance abuse or ethnicity, or communities who feel excluded, neglected and undervalued. We believe creative programmes in all these sectors can deliver excellent outcomes – can 'inspire people and change futures' and can deliver excellent art.

PUBLIC BENEFIT

In planning our activities for the year we have kept in mind the Charity Commission's guidance on public benefit.

TEES VALLEY ARTS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2008

ACTIVITY 2007/08

Aspiration and Achievement

Activities under this programmatic heading involve educational aspiration and achievement through the arts. This could be 'traditional' arts projects in schools, or science learning through the arts, or re-engagement of disengaged or 'at risk' learners, or learning about diversity and other cultures through creative activity, or intensive projects with young people categorised as NEET – Not in Education, Employment or Training, to support their re-engagement with mainstream provision and/or progression to college.

Example: the Evolve programme – a very successful two year programme of science through the arts, which saw residencies in 36 Tees Valley schools plus a supportive schedule of CPD for participating teachers. This was funded by £203K Single programme monies.

Example: a diversity learning through the arts project was be Masked Ball – in which senior students at a college in Hartlepool worked with an African drummer, an afro-caribbean dancer, and a visual artist to create a new work which was showcased at the WorldFest world music festival. This was funded through Creative Partnerships Tees Valley - £5K.

Example: another successful programme of residencies was Gallery TS1, commissioned by Middlesbrough Council Cultural Services. This consists of a number of three week intensive 'creative apprenticeships' for young people categorised as NEET, through which they work with professional artists and makers, based in commercial premises. The goods created are then sold in the shop. Gallery TS1 has worked with 200 young people over the last two years, and has achieved remarkable figures of 90% progression back into mainstream provision - £100K over 2 years.

Additionally, our application to the One North East Cultural Volunteering programme, led by Visit Tees Valley has been successful and activity will begin shortly.

TEES VALLEY ARTS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2008

Diversity and Wellbeing

Activities under this programmatic heading will include creative activities in diversity, especially with asylum seekers and refugees, with substance abusers, with people with physical and/or learning difficulties and with people with mental health issues.

Example: We secured funding for the Paul Hamlyn Foundation (3 years x £15K) for arts activities with young asylum seekers and newly arrived people, the bulk of whom are dispersed in Middlesbrough and Stockton (rather than the other Tees Valley boroughs). Activities so far have included creative writing, visual arts, costume making and a variety of performances in the WorldFest world culture festival.

Example: the Best Dresses project placed three women artists with women substance abusers in Redcar to Create 'artists' books. This was funded through the Home Office - £5K.

Heritage and Environment

Activities under this programmatic heading would include using the arts to engage learners or communities in these sectors.

Example: Travelogue film project placed a film-maker to work with young people with learning disabilities in Redcar to make a celebratory film. This was funded through Northern Film and Media - £5K

Example: Consultation through the arts with the community of Skinningrove on behalf of the Environment Agency - £11K.

TEES VALLEY ARTS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2008

Regeneration and Creative Resources

Activities under this heading include work around public art projects, and around skills development for eg recent graduates.

Example: Lytton Street railings – the recruitment and management of an artist to create designs for railings around a new housing development - £3.5K commissioned by developer.

Example: TVA was appointed as the sub-regional agency for development and dissemination of the Arts Award in partnership with Trinity Guildhall.

Additionally, the 08-09 programme outlined a potential partnership with the Lingfield Point developers (Darlington), in terms of writing the site arts strategy, this work is now ongoing.

- **Developments re issues identified**

As already indicated – sustainable, predictable, reliable funding streams, and staffing, remain the factors with the greatest impact on best delivery of intended activity programmes.

The Evolve programme – Science Through The Arts – was highly successful; it delivered 36 school residencies over two years, plus extensive CPD for teachers and artists, plus CPD for Science PGCE students, plus worked with over 2000 school students. Feedback was uniformly positive, and ranged from ‘good’ to ‘excellent’ in evaluation from teachers. The programme worked with KS1, KS2 and KS3 students, delivered varied aspects of the curriculum, and worked with the whole range of students from the least to the most able.

The art forms used were: Dance and Movement, Drama, and Creative Writing. Great credit must go to the artists involved – Martin Wilson and Tess Chayter of Tin Dance, Bidi Iredale and Carolyn Fairlie, Bob Beagrie and Andy Willoughby.

Positive gains to come out of this are that TVA enjoys a considerably enhanced reputation with schools and Education Advisers with regard to delivery of meaningful and effective delivery of projects in schools – especially in the unexpected science sector – and our relationship with the North East Process Industries Cluster is further strengthened and embedded.

TEES VALLEY ARTS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2008

- **Artistic quality**

It is TVA's belief that the best quality art delivers the most effective intervention in any given setting – 'great art for everyone'. TVA personnel include individuals with extensive art practice backgrounds at a national level, individuals with good quality degrees and further degrees, currently practising artists of various artforms, and all relevant staff are active, informed, cultural participants, passionately engaged in the day to day debate and conversation of the arts. Rosi Lister, Executive Director, and Rowena Sommerville, Director of Programmes, are both regularly invited to contribute to regional and sub-regional forums and discussion groups on current cultural matters, and are members of cultural working parties and such like.

Feedback on programmes such as Evolve indicates excitement, ambition, surprise – all responses that can only be evoked by engagement with high quality activities; no student or teacher or participant ever indicates being short-changed or disappointed by the activities they have found themselves engaged in.

The national Arts Award Moderator who moderated the Gallery TS1 submissions publicly commented on and commended the work of our young people – young people identified as disengaged. He said the work was of a consistently high standard and was a model of its kind – this was endorsed through the national Arts Award website, and through regional press.

We feel that TVA consistently strives to deliver the highest quality work – in a culturally challenging area – because this is what people deserve and because we are satisfied with nothing less.

- **Particular successes and challenges**

The challenges and lessons learned are – as previously indicated – that attention needs to be paid to all potential funding streams; that the eggs and the baskets need to be as diverse as possible in the current voluntary sector economic climate. Charitable applications need to be as good as possible – and even then may not be successful, as the odds against are so high; strong partnerships need to be developed and maintained; organisations need to be as well informed as possible to tender for statutory grants and contracts.

TEES VALLEY ARTS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2008

2007/8 Particular Achievements

- **Evolve Programme**

Outlined previously – 36 residencies; extensive teacher CPD; extensive science PGCE student CPD; 2000 Tees Valley School Students participated. Uniformly excellent feedback. Evaluation document available; range of educational materials produced available; 8 minute celebratory DVD available.

- **Gallery TS1**

2006-2008: 200 young people categorised as Not in Education, Employment or Training worked with; progression rate (back into main stream educational or training provision) 90%; National Arts Award Moderator comment – ‘a model of excellence’; excellent local press coverage + national Arts Award website. Also enhanced partnership working with MBC for whom this programme was delivered.

- **TVA 25th Anniversary**

The year saw us celebrate our 25th anniversary - 25 years designing and delivering creative activities in the Tees Valley.

Financial Review

2008/09 and beyond

Issues for 2008-9 are all the issues already referred to in terms of navigating choppy financial waters and making the organisation as ready and as robust as possible to be able to maximise all and any potential opportunities. The Director of Programmes recently attended a two day course for the voluntary sector on preparing bids to the statutory sector, which was useful and informative, and the mix of participants reinforced our perception that this will form part of the voluntary sector arsenal.

TVA will continue to work in partnership with as many agencies and organisations as possible (hopefully sometimes in formal consortia), and to research and apply for charitable funding as appropriate.

Finally, a key plank of our development is our intention to build upon recently strengthened relationships with Local Authorities to recruit regular annual contributions from those authorities through the Local Strategic Partnerships. Currently each of the 5 Tees Valley Borough Children's Services contributes £5K to TVA core costs annually – expressly to support our work in education and its allied sectors. TVA Board members have been active in supporting and progressing further discussions with the local authorities, with the support of Arts Council England, North East.

TEES VALLEY ARTS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2008

At the time of writing this we are awaiting the outcome of a tender to the Learning and Skills Council for mainstream funding for Creative Routeways work with young people in the Tees Valley categorised as NEET – Not in Education, Employment or Training. TVA would be the lead partner in activity to be delivered in 5 premises – Middlesbrough, Melrose House; Darlington, The Forum; Hartlepool, The Studio; Stockton, Tees Music Alliance; Redcar and Cleveland, Loftus Youth Space. If successful, this would present a new way of working (and funding) for TVA, and would require flexibility and a willingness to learn and to innovate from all the bid partners. The stated willingness of those partners to do that testifies to our mutual recognition of the need to engage with statutory bodies.

TVA has received an initial small grant from LSC capital funding (£7K) to begin refurbishment of a large space in Melrose House to be our designated art room.

Work will continue to seek, design and deliver work in our four thematic programme areas as outlined in the document above.

Our intentions and objectives for 2009-10 will continue under the general outline above, and will incorporate and respond to issues arising from partnerships at the strategic level with key partners - the Local Authorities, ACENE, any major funders or other appropriate body. Our intentions to apply for Grants for the Arts funding are not fixed at this point, though the most obviously likely request will be WorldFest 09 and WorldFest 10 to be applied for in the relevant years.

Any other possible Grants for Arts applications will be discussed with ACENE personnel as necessary.

Any significant changes in our operations arising from financial, governance, or operational matters will also be discussed as necessary.

These are challenging times for the charity and voluntary sector but the trustees have spent a great deal of time and energy in discussing the future form and funding of the organisation. Discussions with the Chief Executives of the five local authorities in the Tees Valley have been very fruitful, resulting in increased core funding in the form of a waiver of accommodation costs for 2008/09. Financial forecasts for 2008/09 and 2009/10 indicate that the charity can look to a sustainable future serving the Tees Valley Area.

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 £125000. At 31st March 2008 the level of free reserves was £19682.

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 31ST MARCH 2008

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.

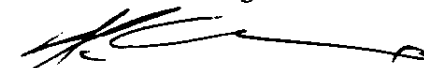
The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Disclosure of Information to Auditors

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Trustees
and authorised to sign on their behalf



A Campbell

Trustee
12th February 2009

Independent Auditors' Report to the Members of

Tees Valley Arts

We have audited the financial statements of **Tees Valley Arts** for the year ended 31st March 2008 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 whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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

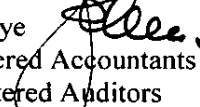
Tees Valley Arts

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 31st March 2008 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
12th February 2009

S V Bye 
Chartered Accountants
Registered Auditors

TEES VALLEY ARTS
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE
ACCOUNT) FOR THE YEAR ENDED 31ST MARCH 2008

		Unrestricted	Restricted	Total Funds 2008	Total Funds 2007
	NOTE	£	£	£	£
INCOMING RESOURCES					
Incoming resources from generated funds					
<i>Voluntary income</i>					
Donations and grants for core funding	2	145472	-	145472	187398
<i>Investment income - bank interest</i>		8575	-	8575	3776
Incoming resources from charitable activities					
Grants and contracts for promotion of arts activities in the area	3	76228	331373	407601	503576
Total Incoming Resources		<u>230275</u>	<u>331373</u>	<u>561648</u>	<u>694750</u>
RESOURCES EXPENDED					
Charitable activities	4	257107	331373	588480	612444
Governance costs	4	32406	-	32406	22591
Total Resources Expended	4	<u>289513</u>	<u>331373</u>	<u>620886</u>	<u>635035</u>
Net resources expended					
- Net surplus/(deficit) for the year		(59238)	-	(59238)	59715
Total funds at 1 st April		<u>78920</u>	<u>-</u>	<u>78920</u>	<u>19205</u>
Total funds at 31st March	11	<u>19682</u>	<u>-</u>	<u>19682</u>	<u>78920</u>

The notes on pages 17 to 22 form part of these accounts.

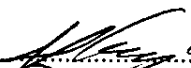
TEES VALLEY ARTS
(Limited by Guarantee, not having a share capital)

BALANCE SHEET

AS AT 31ST MARCH 2008

	NOTE	£	2008	£	£	2007	£
FIXED ASSETS							
Tangible assets	7		-				-
CURRENT ASSETS							
Debtors	8	19675			156704		
Cash at bank and in hand		326111			189154		
			345786		345858		
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	(310539)			(266938)		
NET CURRENT ASSETS			35247			78920	
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	9		(15565)			-	
NET ASSETS			19682			78920	
FUNDS							
Unrestricted	11		19682			78920	
Restricted	11		-			-	
			19682			78920	

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 2007).

...A Campbell  DIRECTOR AND TRUSTEE

Approved by the Board: 12th February 2009
and signed on its behalf by the above.

The notes on pages 17 to 22 form part of these accounts.

TEES VALLEY ARTS
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2008

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 2007) 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 2008	Total 2007
	£	£
Arts Council Northern England-Core	74000	72029
Arts Council Northern England- Additional Core	-	48737
Middlesbrough Council- Grant	5102	5000
Local Councils-Donated premises	46370	44632
Hartlepool Borough Council	5000	4000
Stockton on Tees Borough Council	5000	4000
Redcar and Cleveland Borough Council	5000	4000
Darlington Borough Council	5000	5000
	<u>145472</u>	<u>187398</u>

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted £	Restricted £	2008 £	2007 £
Cultural diversity and well being				
-Northern Rock Foundation (see below)	-	43935	43935	31311
-Other grants	-	89857	89857	100650
Aspiration and achievement	-	143598	143598	265686
Regeneration and creative resources	-	12368	12368	21757
Heritage and Environment	-	41615	41615	-
Fees	73729	-	73729	83457
Miscellaneous	2499	-	2499	715
	<u>76228</u>	<u>331373</u>	<u>407601</u>	<u>503576</u>
Northern Rock Foundation Grants				
Expanding the Cultural Capacity of the Tees				
Received in the year	-	50800	50800	50800
Deferred income released in the year	-	40679	40679	-
Deferred	-	(47544)	(47544)	(40679)
	<u>-</u>	<u>43935</u>	<u>43935</u>	<u>10121</u>
Winterfest development	-	-	-	1570
Winterfest 06/07	-	-	-	19620
	<u>-</u>	<u>43935</u>	<u>43935</u>	<u>31311</u>

TEES VALLEY ARTS
NOTES TO THE ACCOUNTS

4. TOTAL RESOURCES EXPENDED

	Basis of Allocation	Charitable Activities £	Governance Costs £	Total 2008 £	Total 2007 £
Costs directly allocated to activities					
Staff costs	Direct	72551	-	72551	62283
Project costs	Direct	264370	-	264370	393987
Audit and accountancy	Direct	-	4455	4455	5238
Support costs allocated to activities					
Staff costs	Usage	90177	10020	100197	82746
General office costs	Usage	89499	9944	99443	46149
Costs for Office Move	Usage	30150	3350	33500	-
Donated premises costs	Usage	41733	4637	46370	44632
		<hr/>	<hr/>	<hr/>	<hr/>
		588480	32406	620886	635035
		<hr/>	<hr/>	<hr/>	<hr/>

Total resources expended include:

	2008 £	2007 £
Auditors remuneration:		
- Audit fee	2600	2500
- Accounting and other services	1855	2738
	<hr/>	<hr/>

5. TRUSTEES REMUNERATION

The trustees neither received nor waived any emoluments during the year (2007 : £NIL).

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

TEES VALLEY ARTS
NOTES TO THE ACCOUNTS

6. STAFF COSTS	2008 £	2007 £
Wages and salaries	152641	110897
Other freelance payments	4641	23183
Social security costs	15466	10949
	<u>172748</u>	<u>145029</u>

No employee earned more than £60000 in the year (2007: NIL)

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

	2008	2007
Chief Executive	1	1
Arts officers	3	2
Administration and support staff	3	3
	<u>7</u>	<u>6</u>

7. TANGIBLE FIXED ASSETS

	Office Equipment £	Theatre Equipment £	Total £
COST			
At 1 st April 2007	74036	7544	81580
Additions	-	-	-
	<u>74036</u>	<u>7544</u>	<u>81580</u>
At 31 st March 2008	74036	7544	81580
	<u>74036</u>	<u>7544</u>	<u>81580</u>
DEPRECIATION			
At 1 st April 2007	74036	7544	81580
Charge for the year	-	-	-
	<u>74036</u>	<u>7544</u>	<u>81580</u>
At 31 st March 2008	74036	7544	81580
	<u>74036</u>	<u>7544</u>	<u>81580</u>
NET BOOK VALUE			
At 31 st March 2008	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
At 31 st March 2007	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

There were no commitments to capital expenditure at 31st March 2008 and 31st March 2007.

TEES VALLEY ARTS
NOTES TO THE ACCOUNTS

8. DEBTORS	2008	2007
	£	£
Trade debtors	19675	154090
Prepayments	-	2614
	<hr/>	<hr/>
	19675	156704
	<hr/>	<hr/>

All debtors are due within one year.

9a. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Creditors & accruals	35617	9842
Social security and other taxes	15690	12449
Charity Bank Loan	3550	-
Deferred income (see below - note 10)	256682	244647
	<hr/>	<hr/>
	310539	266938
	<hr/>	<hr/>

9b. CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2008	2007
	£	£
Charity Bank Loan	15565	-
	<hr/>	<hr/>
The Charity Bank Loan carries interest at 6.5% and is repayable in monthly instalments as follows:		
Within 2 years	3788	-
Between 2 and 5 years	11777	-
	<hr/>	<hr/>
	15565	-
	<hr/>	<hr/>

10. DEFERRED INCOME

	2008
	£
Balance at 1 st April 2007	244647
Amount released to incoming resources	(244647)
Amount deferred in the year	256682
	<hr/>
Balance at 31 st March 2008	256682
	<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.

TEES VALLEY ARTS

NOTES TO THE ACCOUNTS

11. STATEMENT OF FUNDS

	Balance at 31 st March 2007 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31 st March 2008 £
Unrestricted funds	78920	230275	(289513)	-	19682
Restricted funds	-	331373	(331373)	-	-
	<u>78920</u>	<u>561648</u>	<u>(620886)</u>	<u>-</u>	<u>19682</u>

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	-	-	-
Current assets	104304	241482	345786
Current liabilities	(69057)	(241482)	(310539)
Creditors: amounts falling due after more than 1 yr	(15565)	-	(15565)
Net assets at 31 st March 2008	<u>19682</u>	<u>-</u>	<u>19682</u>

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.	2008 £	2007 £
Grants for core funding		
Arts Council England, North East	74000	120766

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

Grants and fees paid for services provided	2008 £	2007 £
Arts Council England, North East	8897	29205

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 31st March 2008 there were no balances due either to or from related parties. (2007: £Nil)