

TEES VALLEY ARTS
(A company limited by guarantee)

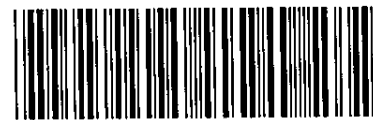
REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2012

Charity Number 515369

Company Number 1656560

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TEES VALLEY ARTS

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TEES VALLEY ARTS
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2012

The trustees are pleased to present their report together with the audited financial statements of the charity for the year ended 31st March 2012. This report has been prepared in accordance with the special provisions of Part 15 of The Companies Act 2006 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 8 and up to 12 Directors constituted as follows:-

Eight 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. Shown below by (***) (Term of Office One year, renewable)

TEES VALLEY ARTS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2012

Directors and Trustees

The trustees who served during the year and up to the date of approval of the accounts were -

Cllr C Akers-Belcher	(*)	(Resigned 13 th June 2012)
Mr R Anderson	(*)	(Chair & Co Secretary)
Mr J Beighton	(*)	(Appointed 12 th March 2012)
Mr A Campbell	(**)	
Miss H Campion	(**)	(Resigned 30 th November 2011)
Cllr S Carter	(*)	(Resigned 5 th May 2011)
Cllr K Dixon	(*)	(Appointed 6 th July 2011)
Mrs E Hardwick	(**)	(Appointed 13 th June 2012)
Cllr P Hargreaves	(*)	(Appointed 10 th July 2012)
Mr K Howard	(**)	
Mr D Jeffery	(*)	(Appointed 13 th June 2012)
Prof P Manning	(*)	(Resigned 10 th June 2011)
Mr M McNulty	(*)	(Appointed 5 th December 2011)
Mr C Monty	(*)	(Resigned 20 th December 2011)
Ms S Paterson	(*)	
Mr J Pendleton	(*)	(Resigned 7 th December 2011)
Cllr G Purvis	(*)	(Appointed 1 st August 2011)
Cllr M Womphrey	(*)	(Resigned 5 th May 2011)

Director

Rowena Sommerville

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 31ST MARCH 2012

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 "

Mission Statement

Tees Valley Arts is an arts development agency based in Middlesbrough in the North East of England, working across the Tees Valley, it is an organisation which champions participation in high quality arts and stimulating creative activities as a tool for improving the quality of life and learning for individuals and communities. TVA works in education designing and delivering innovative programmes for students of all abilities, for disengaged learners, and for excluded or at risk pupils TVA works in diversity and inclusion using the arts to support and empower people who face life's challenges TVA works to bring people together in respect and celebration

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 31ST MARCH 2012**

Organisational Structure

A board of trustees of between 8 and 12 members, who meet quarterly, oversees the charity.

A Chief Executive, whose title is Director but they are not a director for the purposes of the Companies Act 2006, 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 13 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”.

We have referred to the guidance contained in the Charity Commission’s general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

Achievements and performance

TVA is a participative, socially engaged arts organisation working across the five local authority areas of the Tees Valley (Darlington, Hartlepool, Middlesbrough, Redcar and Cleveland, Stockton), TVA organises its activity under three thematic programme areas: Education, Heritage and Environment, Inclusion.

The Tees Valley is a sub-region with many challenges for its residents and for its providers of services, and is acknowledged as being under-provided for culturally. Despite and/or because of this TVA continues to advocate for the use of truly creative and imaginative interventions as a way of improving, and sometimes transforming, people’s lives.

TVA has 6 core staff – Director, Finance Manager (0.8), Communications Officer, Education Officer, Heritage and Environment Officer, Youth and Community Officer (0.6). This has been augmented by a three year x half time post of Refugee Arts Officer, funded by the Baring Foundation (this was Year 3). TVA activities have been delivered, as always, by a wide range of freelance artists, working in almost every conceivable artform, and coming predominantly from the North East region. All residency opportunities advertised garner numerous applications, so we are able to recruit and select artists who are best suited to the projects in question, and who enjoy delivering participative arts, despite (and because of) some of the very challenging constituencies that we work with.

TVA came through 2011/12 ‘in the black’, and was able to add to reserves, this was achieved despite per annum core support from the 5 local authorities of the Tees Valley reducing from £50K in total to c£15K – a de facto cut of £35K, and the core support grant from the Northern Rock Foundation reducing from £30K to £25K – a de facto further cut of £5K. This achievement represents continued very hard work and dedication on the part of TVA staff.

TEES VALLEY ARTS
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2012

TVA's freelance artists and key partners

As a participatory arts organisation working in the Tees Valley, our ability to recruit eg 'nationally established' artists to work with our participant groups is limited by the realities of economics, week on week sessional delivery, travel and access. Having said which, TVA a) rates many of our 'regular' artists very highly and b) works with other artists when we can. Larger scale projects such as Green TV (environmental learning through the arts over two years x 5 boroughs), attracted artist applicants from right across the North East, and it was notable that all 10 Green TV (over two years) artists selected and appointed reported challenge, development and growth in their personal artistic practice because of the project. WorldFest 2011 served to enhance our links with Dennis Bovell (lovers' rock pioneer and curator of the BBC's Reggae Britannia), and we have future plans to work with Dennis. Our work with those newly arrived saw us work – among others – with a finalist of Iran's Got Talent(!), and with Gassan Mohammed, sculptor originally from Iraq. We also worked with locally based, nationally emerging playwright Ishy Din (first play 'Snookered' toured nationally, then at the Bush, London for a month, now Writer in Residence at Manchester Royal Exchange Theatre), to develop a Grants for the Arts application based on his working with young people of diverse origin, plus drama worker support. This application has been successful and activity will begin July 2012.

There has also been considerable activity with reference to arts partnerships, James Beighton, Senior Curator at mima has joined our Board, and TVA Director chairs the 'participation and engagement' task group of the mima-led Tees Valley visual arts strategy and work plan, thus also attending the strategic committee group. TVA also has regular links with mima through project activity, and in new developments such as a recent joint mima and TVA approach to New Deal of the Mind.

TVA has made good links with East Street Arts (Leeds), who are active locally identifying empty office blocks and letting them as artist studios, East Street Arts currently contributes funding to support the TVA free e-mailout system – without this support the much-appreciated and valued platform (as reported universally to eg Tees Valley cultural conversations) would cease (or certainly not be offered for free).

TVA's extensive activity around Arts Award and Artsmark has networked us with other arts organisations in the wider region and with Arts Council nationally. TVA has secured further Youth Music funding for activity, and through this will enhance existing links with the intended Tees Valley music education hub to be centred on Middlesbrough Town Hall.

TVA's key partners throughout the year have included all the five Tees Valley local authorities (various departments), the Tees Valley Wildlife Trust, RSPB Saltholme, the North of England Refugee Service, Barnardo's SECOS project, Arts Award (national) Artsmark (national) and all our funders who will be listed elsewhere in this document – to whom we are wholly grateful.

**TEES VALLEY ARTS
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2012**

Evaluation of the artistic quality of work/s produced

TVA evaluates all its activity in terms of artistic quality, authenticity, distance travelled, and legacy. Our work is participatory and must be considered in those terms. Artists taking part in our projects are always asked for feedback as to their experience of a given project, how far their hopes and expectations were met or otherwise etc. Artists taking part in eg Green TV all reported their enthusiasm for the project, how they were stretched and challenged. Several artists have reported that working with us has led to new directions in their own work, unexpected changes that have followed.

Partners (eg wildlife organisations, Refugee Service, Barnardo's, schools) regularly report that project outputs and outcomes have far exceeded their expectations; audiences for such works are appreciative – and these audiences include artists and those interested in culture, not just doting parents.

Our quarterly e-newsletter consistently receives compliments and positive feedback, from many interested parties who value our work in general and enjoy the images/ performances/ music produced. Projects such as Green TV also support artists' get togethers and creative CPD sessions, which serve to upskill individuals and to add value to their practice and to our projects.

Particular successes in 2011/12

- TVA's work with Arts Award, both in delivering training to advisers, contributing to national conferences and work groups, in promoting and advocating for Arts Award, and in embedding Arts Award in projects with disengaged and vulnerable young people has been a huge success for us. TVA has been featured on the Arts Award website, has been featured in 'Children and Young People Now' journal, and a picture from our stART project was the front cover of the Arts Award brochure for 2011.
- Artsmark. TVA was the sub-regional trainer for Artsmark, TVA Education Officer and TVA Director were both Artsmark assessors, TVA Director was part of the national moderation team.
- stART – our intervention with young people who are Not in Education, Employment or Training continued to be delivered successfully in Middlesbrough and an equally successful pilot cohort was delivered in Stockton. While local authority cuts have meant that the programme is currently in abeyance, we envisage future mutual activity. We have been accepted as a named delivery partner in the current Tees Valley Unlimited bid to DWP Innovations Fund, to extend this offer to 14/15 year olds – again in partnership with Local Authorities.
- Risky Biz – our partnership with Barnardo's service for young people at risk of exploitation, funded by Comic Relief, has now worked with 3 cohorts of participants, achieving Bronze Arts Award, with celebratory shows at mima. Barnardo's report enhanced engagement with their service because of the project, works produced have featured in our newsletter.
- Moving On – TVA was successful with a bid to J Paul Getty Foundation to work with a cohort of young people in the care of the local authority, in all five TV Local Authorities. Although delivery has only just started (May 2012), the partnership building occurred during 2011/12 as did the very successful pilot delivery with a cohort of looked after young people in Darlington, which led to the wider project.
- Green TV – this very successful project delivered in partnership with Tees Wildlife Trust, RSPB Saltholme, Teesmouth Field Centre and Darlington Parks and Countryside Team and funded by Heritage Lottery Fund (£240K over 2.5 years) completed its second year – 5 artists, 10 schools, 5 wildlife sites, 5 works of art created/ installed. The partnerships established with the wildlife partners have led to new projects in development/ seeking funding.

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TEES VALLEY ARTS
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 201

Continued

- Hope Springs – a partnership with Hope North East, a beneficiary led organisation supporting those attempting abstinence from substance abuse Hope North East were successful in securing funding to employ TVA to deliver creative activities It is intended that this partnership will lead to a larger grant application to support the development of a creative advocacy wing for Hope North East
- Refugee Arts/ WorldFest – our activities in this sector continue to be a notable and visible strength for the organisation (Following a successful application to the Northern Rock Foundation, we will continue to contract a half time Refugee Arts Worker as of July 2012)
- Marketing – our (currently) free e-mailout platform, our quarterly e-newsletter and our leaflets/ promotional literature receive much positive feedback

Governance

There have been some changes in the TVA Board, Tony Campbell (Director, Creative Glass) stood down as Chair after 6 years' service We are pleased that he remains on the Board The Councillors representing Middlesbrough and Stockton both changed, following local elections John Pendleton (Proportion Marketing) and Craig Monty (Dickinson Dees) both stood down Mike McNulty (formerly Environment Agency) joined the Board, as did James Beighton, Senior Curator at mima, Eyv Hardwick, Programme Leader for Applied Arts at Cleveland College of Art and Design and David Jeffery, Business Partner with Yorkshire Bank

Richard Anderson became Chair of the Board during the year, Richard is a financier with a background in risk and compliance, he is currently Head of Risk and Compliance at Gentoo Genie Limited Richard is an actively involved Chair who brings his strategic financial acumen to our management and planning, he also intends to revivify the Board and their involvement with and advocacy for TVA

Fundraising

TVA fundraises constantly, actively and with considerable expertise, almost all our funding is secured through grant application/s – a lengthy and unpredictable business We also look at and consider other ways of garnering income – eg off the shelf creative sessions, creative CPD, professional mentoring etc Private donations and corporate sponsorship remain a remote possibility for us

Encouraging attendance and participation

TVA is a participatory arts organisation in 2011/12 we delivered c10,000 individual participant sessions – many participants being those hard to engage and/or disengage, and all in the culturally 'inactive' area of the Tees Valley

TVA has over 1000 followers on twitter

TVA e-newsletter goes to 1000 recipients

TVA's Musicmix project song/ performance/ film has had over 3000 hits on YouTube

**TEES VALLEY ARTS
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2012**

Issues for 2012/13

TVA was not awarded Arts Council National Portfolio Status for 2012/15, and core support from the five Tees Valley Local authorities has disappeared with the cuts in their funding – hence survival is the biggest immediate challenge for 2012/13

Without this core support, TVA needs to raise all its funding in the form of full cost recovery fees from project activity, and/or the comparatively small amount of directly commissioned work such as Arts Award training, Artsmark, mentoring etc

Everybody is aware that times are tough in general, and securing grants and/or tenders has never been more competitive. TVA's core budget has been repeatedly scrutinised (no wage increases for 3 years) and there is no 'luxury' to be trimmed, thus we decided to reduce all staff hours – and therefore wages – to reduce overheads still further. This inevitably impacts on morale and on capacity. TVA's core team FTE was 5.4, now it is 4.2. 3 personnel work 0.8 FTE and 3 work 0.6 FTE.

This reduction in costs is not sufficient to 'bridge the gap' left by Arts Council funding – more money must be raised, and thus more activity will need to be delivered, despite reduced capacity. TVA has engaged Peninsula Business Services to support HR and employment issues; we now have a framework which will facilitate a further reduction in staff hours and/or a return to increased hours, subject to funding/activity. The support and skill of the Chair of the Board are welcome in this ongoing review/plan process.

TVA may also have to move premises in 2012/13 – subject to potential sale/rental of our current premises.

Outline plans and objectives for 2012/13

Work will continue in line with our declared aims and intentions, and within the three existing programme areas – Education, Heritage and Environment, Inclusion. All TVA personnel will – undoubtedly – remain dedicated, hardworking and flexible.

- TVA needs to write a new three year business and development plan.
- We will endeavour to maintain and enhance our good reputation locally and regionally, and to support that with effective and attractive communications.
- We will maintain and enhance existing and new partnerships, in the arts sector and otherwise.
- We intend to continue our work with vulnerable young people (c60% of our total activity), embedding the Arts Award in projects wherever possible.
- We intend to continue our activity with Arts Award and Artsmark. TVA was selected as one of the two Training and Support Agencies in the region, so are contracted to deliver additional support to advisers, as well as the Bronze, Silver and Gold Training we already deliver.
- We will continue to develop partnerships and innovative project activity around heritage, environment and science learning.
- We will continue and expand our work with those newly arrived, and with young people of diverse origin.
- We will begin activity on our project with Ishy Din, local playwright (GfA funded).
- We will develop our intended activity around musical fusion between African, reggae and Sufi music and performance.

*Rowena Sommerville
Director TVA
July 2012*

TEES VALLEY ARTS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2012

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 2012 the level of free reserves was £70254.

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.

Responsibilities of the Trustees

The trustees (who are also directors of Tees Valley Arts for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

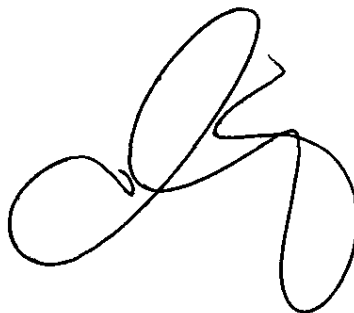
Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

In so far as the trustees are aware

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.



Approved by the Trustees on
and authorised to sign on their behalf

R Anderson

Trustee
26th September 2012

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF TEES VALLEY ARTS

We have audited the financial statements of Tees Valley Arts for the year ended 31st March 2012 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities)

This report is made solely to the charity's trustees, as a body, in accordance with Section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 4, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2012, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF TEES VALLEY ARTS

(Continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements, or
- the charitable company has not kept adequate accounting records, or
- the financial statements are not in agreement with the accounting records and returns, or
- we have not received all the information and explanations we require for our audit

New Garth House
Upper Garth Gardens
Guisborough
TS14 6HA

S V Bye
Chartered Accountants
Statutory Auditors
26th September 2012

SV Bye is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

TEES VALLEY ARTS
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE
ACCOUNT) FOR THE YEAR ENDED 31ST MARCH 2012

	NOTE	Unrestricted £	Restricted £	Total Funds 2012 £	Total Funds 2011 £
INCOMING RESOURCES					
Incoming resources from generated funds					
<i>Voluntary income</i>					
Donations and grants for core funding	2	135415	25000	160415	199940
Investment income - bank interest		220	-	220	210
Incoming resources from charitable activities					
Grants and contracts for promotion of arts activities in the area	3	6628	259671	266299	274492
Total Incoming Resources		<u>142263</u>	<u>284671</u>	<u>426934</u>	<u>474642</u>
RESOURCES EXPENDED					
Charitable activities	4	118427	284671	403098	423057
Governance costs	4	21337	-	21337	22173
Total Resources Expended	4	<u>139764</u>	<u>284671</u>	<u>424435</u>	<u>445230</u>
Net resources expended					
- Net surplus/(deficit) for the year		2499	-	2499	29412
Total funds at 1 st April		<u>67755</u>	<u>-</u>	<u>67755</u>	<u>38343</u>
Total funds at 31st March	11	<u>70254</u>	<u>-</u>	<u>70254</u>	<u>67755</u>

The notes on pages 15 to 20 form part of these accounts

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

BALANCE SHEET

AS AT 31ST MARCH 2012

	NOTE	£	2012	£	£	2011	£
FIXED ASSETS							
Tangible assets	7			-			-
CURRENT ASSETS							
Debtors	8	22316			22543		
Cash at bank and in hand		319323			245177		
		<u>341639</u>			<u>267720</u>		
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	(271385)			(196541)		
		<u></u>			<u></u>		
NET CURRENT ASSETS			70254			71179	
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	9		-			(3424)	
			<u></u>			<u></u>	
NET ASSETS			70254			67755	
FUNDS							
Unrestricted	11		70254			67755	
Restricted	11		-			-	
			<u>70254</u>			<u>67755</u>	

For the year ending 31st March 2012 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. However an audit has been carried out under the Charities Act 2011

Directors' responsibilities

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

(Continued)

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

BALANCE SHEET

AS AT 31ST MARCH 2012

(Continued)

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies, and The Financial Reporting Standard for Smaller Entities (effective April 2008)

R Anderson

DIRECTOR AND TRUSTEE

Approved by the Board 26th September 2012
and signed on its behalf by the above

The notes on pages 15 to 20 form part of these accounts

TEES VALLEY ARTS
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2012

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 April 2008) and the Companies Act 2006. 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%

TEES VALLEY ARTS

NOTES TO THE ACCOUNTS

2 DONATIONS AND GRANTS FOR CORE FUNDING

	Total 2012 £	Total 2011 £
Unrestricted		
Arts Council England, North East-Core	74253	79756
Middlesbrough Council- Grant	5000	10414
Local Councils-Donated premises	46162	39770
Hartlepool Borough Council	5000	10000
Stockton on Tees Borough Council	5000	10000
Redcar and Cleveland Borough Council	-	10000
Darlington Borough Council	-	10000
	<u>135415</u>	<u>169940</u>
Restricted		
Northern Rock Foundation	25000	30000
	<u>25000</u>	<u>30000</u>

3 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted £	Restricted £	2012 £	2011 £
Inclusion				
-Northern Rock Foundation (see below)	-	2109	2109	1746
-Other grants and income	-	90067	90067	94748
Education	-	22286	22286	30411
Regeneration	-	-	-	731
Education-Heritage and Environment	-	60767	60767	59525
Fees	-	61883	61883	46567
Miscellaneous	6628	22559	29187	40764
	<u>6628</u>	<u>259671</u>	<u>266299</u>	<u>274492</u>
Northern Rock Foundation Grants				
<i>Expanding the Cultural Capacity of the Tees</i>				
Received in the year	-	-	-	-
Deferred income released in the year	-	8663	8663	10409
Deferred income carried forward	-	(6554)	(6554)	(8663)
	<u>-</u>	<u>2109</u>	<u>2109</u>	<u>1746</u>

Included in restricted funds above is £7800 from Lloyds TSB Foundation

TEES VALLEY ARTS
NOTES TO THE ACCOUNTS

4 TOTAL RESOURCES EXPENDED

	Basis of Allocation	Charitable Activities £	Governance Costs £	Total 2012 £	Total 2011 £
Costs directly allocated to activities					
Staff costs	Direct	68879	-	68879	68988
Project costs	Direct	169118	-	169118	180119
Audit and accountancy	Direct	-	2993	2993	2845
Support costs allocated to activities					
Staff costs	Usage	83883	9320	93203	93092
General office costs	Usage	39672	4408	44080	60416
Donated premises costs	Usage	41546	4616	46162	39770
		<u>403098</u>	<u>21337</u>	<u>424435</u>	<u>445230</u>

Total resources expended include

	2012 £	2011 £
Auditors remuneration		
- Audit fee	2500	2500
- Accounting and other services	493	345
	<u>2500</u>	<u>2845</u>

5 TRUSTEES' REMUNERATION

The trustees neither received nor waived any emoluments during the year relating to their role as trustees (2011 £NIL) No out of pocket expenses were reimbursed to any of the trustees.

Some trustees were paid under contracts for services relating to their roles as artists and designers. Such payments to trustees are permitted by Clause 4 of the charity's Memorandum of Association. The amounts paid in the year were

	2012 £	2011 £
Mr K Howard	6161	12014
Proportion Marketing Ltd (Connected party of Mr J Pendleton)	1825	5435
	<u>6161</u>	<u>17449</u>

TEES VALLEY ARTS
NOTES TO THE ACCOUNTS

6	STAFF COSTS	2012	2011
		£	£
	Wages and salaries	147572	147571
	Social security costs	14510	14509
		<u>162082</u>	<u>162080</u>

No employee earned more than £60000 in the year (2011 NIL)

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

	2012	2011
Chief Executive	1	1
Arts officers	3	3
Administration and support staff	2	2
	<u>6</u>	<u>6</u>

7 TANGIBLE FIXED ASSETS

	Office Equipment £
COST	
At 1 st April 2011	74036
Disposal	-
	<u>74036</u>
At 31 st March 2012	74036
	<u>74036</u>
DEPRECIATION	
At 1 st April 2011	74036
Disposal	-
	<u>74036</u>
At 31 st March 2012	74036
	<u>74036</u>
NET BOOK VALUE	
At 31 st March 2012	-
	<u>-</u>
At 31 st March 2011	-
	<u>-</u>

There were no commitments to capital expenditure at 31st March 2012 and 31st March 2011

TEES VALLEY ARTS

NOTES TO THE ACCOUNTS

8	DEBTORS	2012	2011
		£	£
	Trade debtors	18669	19045
	Prepayments and accrued income	3647	3498
		<hr/>	<hr/>
		22316	22543
		<hr/>	<hr/>

All debtors are due within one year.

9a CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Creditors & accruals	17953	12234
Social security and other taxes	13121	4836
Charity Bank Loan	3424	4312
Deferred income (see below - note 10)	236887	175159
	<hr/>	<hr/>
	271385	196541
	<hr/>	<hr/>

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

	2012	2011
	£	£
Charity Bank Loan	-	3424
	<hr/>	<hr/>

The Charity Bank Loan carries interest at 6.5% and is repayable in monthly instalments as follows

Within 2 years	-	3424
	<hr/>	<hr/>

10 DEFERRED INCOME

	2012
	£
Balance at 1 st April 2011	175159
Amount released to incoming resources	(175159)
Amount deferred in the year	236887
	<hr/>
Balance at 31 st March 2012	236887
	<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 2011 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31 st March 2012 £
Unrestricted funds	67755	142263	(139764)	-	70254
Restricted funds	-	284671	(284671)	-	-
	<u>67755</u>	<u>426934</u>	<u>(424435)</u>	<u>-</u>	<u>70254</u>

12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	-	-	-
Current assets	104752	236887	341639
Current liabilities	(34498)	(236887)	(271385)
Net assets at 31 st March 2012	<u>70254</u>	<u>-</u>	<u>70254</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	2012 £	2011 £
Grants for core funding		
Arts Council England, North East	74253	79756

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

At 31st March 2012 there were no balances due either to or from related parties (2011: £Nil).