

TEES VALLEY ARTS
(A company limited by guarantee)
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2007

Charity Number : 515369

Company Number : 1656560

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WinterFest: Kanda Bongo Man

TEES VALLEY ARTS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2007

The trustees are pleased to present their report together with the audited financial statements of the charity for the year ended 31st March 2007. 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).

The trustees who served during the year were:-

Mr S Akers-Belcher	(**)	Appointed 26 th May 2006	Prof. P Manning	(**)	
Mr G Bates	(**)		Mr C Monty	(***)	Appointed 4 th December 2006
Mr A Campbell	(*)	(Chair & Co. Secretary)	Cllr J O'Donnell	(**)	
Miss H Campion	(***)	Appointed 4 th March 2007	Mr J Pendleton	(**)	
Revd R Cooper	(***)	Resigned 26 th May 2006	Ms S Robson	(**)	
Mrs E Hardwick	(**)		Prof. G Roper	(*)	
Mr K Howard	(**)		Mrs F Sangowawa	(**)	
Cllr J Kennedy	(**)	Resigned 26 th May 2006	Mr R Stanko	(**)	
Cllr W Kerr	(**)		Mr T Teasdel	(***)	

Executive Director

Rosi Lister

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 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 5 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 Executive 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.

Achievements and performance

Tees Valley Arts (TVA) is an arts development agency with a specific, but not exclusive interest in using participatory arts within contexts of social regeneration. In its 25th year of operation, TVA now describes itself as a social enterprise with full charitable status working across the north east and further afield, but always to the benefit of the Tees Valley sub region. Our organisational aims are to increase and improve the cultural experiences of young people and those wider communities in the Tees Valley who may be described as ‘hard to reach’.

TVA also works toward improving the employability skills and employment opportunities for the Tees Valley artistic communities, and particularly those who aspire to become socially engaged in their practice.

Action Points from 2005/06

The main issue resulting from the TVA 2005/06 annual review related to the general health and financial viability of Tees Valley Arts (TVA). This was the result of a previously difficult period in the organisations history. The current Executive Director came into post (Nov 05) inheriting a considerable financial deficit. There was also apparent inadequacies and a lack of definition within the roles and responsibilities of the core staff team. This was irritated by the use of protracted temporary contracts and subsequent low staff morale. Limited scope had existed for sometime within the organisation for personal development and/or career motivation.

All of these issues have now happily been resolved, and as the following document will demonstrate, TVA is now firmly back on the road to great and sustainable success.

For example:

- 2006/07 saw activity turnover escalate beyond expectation to £694,750 and subsequently our company reserves reached a healthy £78,920.
- Our core staff team grew from five; three full time, two part time to eight; four full time, and four part time.
- Our themed artistic programmes doubled from two (Education and Inclusion) to four:
 - Aspiration & Achievement
 - Cultural Diversity & Well Being
 - Heritage & Environment
 - Regeneration and Creative Resources
- Our collaborative partnerships grew in number and by sector, resulting in new opportunities for both cross sector collaborations and commissions which in turn, resulted in an increased breadth of activity and turnover.
- Our core funding increased from £91,000 per annum to £144,829 per annum.
- Our programme teams reached 6000 Tees Valley residents by engaging them in over 85 artistic interventions, projects and events.
- We worked with 3000 BME residents through our **You Are Here** project and our **Winterfest** world music event and secured an additional £42,000 grant to further our work with asylum and refugee communities for three years.
- We worked with 120 Tees Valley schools (almost half of the schools in the Tees Valley) teaching them science through the arts subsequently reaching 2000 Tees Valley pupils and 200 Tees Valley science teachers and PGCE student teachers via our nationally recognised **Evolve** programme.
- We developed and delivered 6 small scale (school funded) multi art form projects across 6 Tees Valley schools through our **Artworks** programme many of which were extended schools projects.



- We reached over 70 NEETs (young people Not in Education, Employment or Training) through **Gallery TS1** enabling the majority of them to achieve their bronze Arts Award and progress an average of 98% of them back into mainstream education or employment.
- We have facilitated the post graduate work based training of 5 aspiring Arts Managers who were selected from 140 nationwide applications.
- We facilitated the setting up of the Tees Valley Cultural Operational Group (COG) where programme and project managers delivering cultural work in the Tees Valley come together to meet and share opportunities once a quarter.
- We began to provide the secretariat to the newly formed Tees Valley Cultural Strategy Review Group.
- We have membership on the Tees Valley Learning Partnership, and the Tees Valley DCMS group.
- The Executive Director has been appointed a Director on the boards of: Culture North East, Northern Cultural Skills Partnership and Saltburn Artists Projects.

Artistic Quality

The artistic quality of our work is consistently high. TVA ensures this through a rigorous quality assurance system and an inherent belief that artistic quality is integral to creative empowerment and where relevant participants' success in terms of personal development.

- All of our artists are procured as per EU guidelines.
- All applicants are shortlisted and interviewed.
- Skills are assessed and identified skills shortages either result in application exclusion or where specific or exemplary artistic practice is acknowledged a decision may be made to support/invest in an artist through appropriate professional development and/or training.
- New artists are closely monitored and in some cases mentored by senior staff.
- All artists are contracted by a programme manager, who will normally deploy day to day support to project officers/coordinators. These core staff will visit the artist regularly on and off the project site to ensure quality is maintained. Artists equally use these opportunities to feedback issues and concerns which are duly brought to the programme managers' attention.
- Regular activity reporting ensures any issues are dealt with fairly, promptly and clearly by the appropriate person.

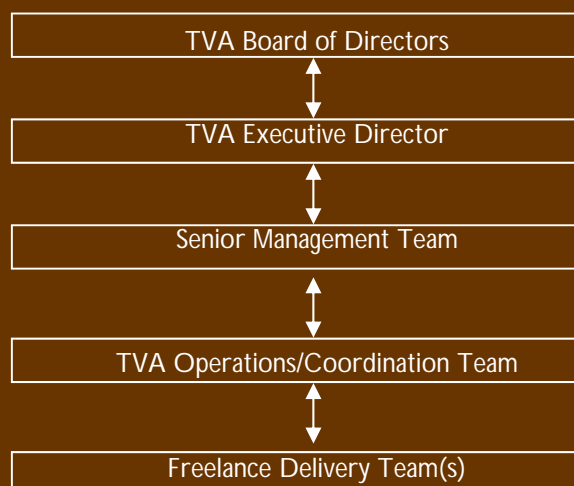
Management & Structure

The TVA staff team continue to be governed by a board of directors to whom the TVA executive director reports. This board has 18 members made up of: Councillors, creative industry representatives, artists, educational providers, lawyers, cultural providers and public sector regeneration professionals.

During 2006/07 we appointed several new board members due to members retiring or through resignation. Our new directors are: Hannah Campion, Artist and Craig Monty, Solicitor.

TVA is currently reassessing the form of its board and may wish to alter its Memorandum and Articles of Association as a consequence. However this process will occur over time and is not planned for the imminent future.

The following diagram illustrates the new TVA organisational management structure:





You Are Here Celebration: Kasai Masai

During 2006/07 TVA reviewed and updated:

- The TVA strategic Plan 2006-09
- The staff appraisal system which now incorporates quarterly one-to-ones, the fourth (or summer) quarter being the formal appraisal.
- The staff/professional development *application for support* procedure – which now has an annual budget attached to it against which all core staff are encouraged to (and do) claim an annual allowance (up to £700 per year).
- Risk assessment policy and procedures for on and off site activities.
- Health & Safety policy and procedures for on and off site activities.
- Core Staff Handbook - ongoing
- Associate (freelance) Staff Handbook – ongoing
- Job descriptions; roles and responsibilities - ongoing
- Lines and forms of communication.
- Standardisation of format for all company procedures and quality processes.

During 2006/07 TVA have newly implemented:

- Diversity & Equality Policy and Procedure
- Weekly Senior Management Team updates.
- An impact measurement methodology.
- Programme focused activity targets.
- Disaggregated programme specific accounting system.

Financial Strategy

End of year accounts show an overall turnover during 2006/07 of £694,750 which has brought in approximately £85,663 of earned income and a resulting company reserve of £78,920. This demonstrates a 15% increase of turnover from 2005/06 which saw an income of £605,800. This is consistent with the planned rate of growth for the organisation over the next three years. 2006/07 realised a 45% increase on 2004/05 income which was £418,709. At the close of the first month of activity in the new financial year we have almost matched total 06/07 income figures and are subsequently well on the way to reaching our £1million 'activity turnover' target for the year.

At the 31st March 2007 the end of year income results for each thematic programme were as follows:

- Aspiration & Achievement: £265,686
- Cultural Diversity & Well-being: £119,634
- Regeneration & Creative Resources: £70,000

31st May 2007 (eight weeks into the new financial year) the income results for each thematic programme were already as follows:

- Aspiration & Achievement: £175,166
- Cultural Diversity & Well-being: £42,270
- Heritage & Environment: £ 59,000
- Regeneration & Creative Resources: £300,000

Suggesting that at £576,436 we are already 1/3 of our way toward our annual 2007/08 target. This picture indicates a dynamic environment with an upward trend.

In addition to fees and activity turnover, our 2006/07 'core' revenue grant-in-kind funding amounted to £144,829 disaggregated as follows:

- Arts Council England, North East: £72,029
- Collective local authority contributions: £22,000
- Northern Rock Foundation: £50,800

Overall, revenue grant aid increased by 48%. However, revenue grant aid covered only 20% of our overheads for 2006/07. This demonstrates an excellent investment of public funds with a clearly demonstrated return in terms of sustained public benefit.

Approximately 0.5 million pounds was spent on delivering creative projects in the Tees Valley during 2006-07 via TVA.



Public Benefit

As already indicated, during 2006-07 TVA has provided approximately 6000 Tees Valley residents with cultural experiences. These cultural experiences range from schools and community projects to headline events. Therefore residents have been both participatory and audience members.

Our participants and audience members have included:

- School pupils at key stages; 1,2,3 & 4
- Young people categorised as NEET (Not in Education, Employment or Training)
- Young Offenders and those at risk of offending
- Refugee and asylum communities
- Groups of less able bodied adults
- Groups with learning disabilities
- Regional BME communities
- Groups of adults and young people with mental health issues
- Groups of adults undergoing rehabilitation from substance mis-use
- Teenage mums and mums to be

We have also worked to support young graduates aspiring to become Arts Managers, artists wishing to extend their socially engaged practice, creative 'social' enterprises who operate to the benefit of Tees Valley communities and gifted and talented learners who wish to pursue creative & scientific careers.

We believe that our work has a major impact on the lives of participants. We believe this because:

- We measure changes in participants self aspirations
- We measure attainment by examining the results of external assessments e.g. school tests and SATs results.
- We facilitate participants' achievement via the production of high quality art products and/or an accredited Arts Award qualification.
- We manage participants' own creative and life progression pathways where ever possible.
- We ask participants and audience members about their experiences.
- We design and maintain long lasting or repeatable opportunities where participants can sediment their new found skills and confidence where ever resources allow.
- People always want more!

Issues for 2007-08

The main issues facing TVA for 2007-08 is the reduction in grant aid available from the Arts Council and particularly through the Grants for the Arts programme. TVA has traditionally put in annual applications for medium scale projects and whilst this continues to be the case, there is general acknowledgement that ACENE is increasingly challenged in terms of how many projects it can support. We are therefore being 'creative' about how we source funds and are working increasingly toward a model that can access mainstream funding through bodies such as the LSC and Hefce. However, there are areas of our work which are less easily supported by other funding bodies such as public realm projects and projects that are designed to be of direct benefit to artistic practice for example **Textlines: Europa**, a literature project that aims to increase trans European understanding and collaboration between the UK, Finland and Holland.

We do believe that this complete redirection of focus away from developing excellence in creative practice for its own sake is an issue - and not one that just affects TVA.

Outline plans and 'main' objectives for 2007/08

To move into our new larger premises which will allow us to begin to offer comprehensive training and professional development opportunities to Tees Valley artists and creative industries and also establish ourselves as an LSC training provider for E2E and related programmes for young people and adults. We will also manage south of the region Arts Award training and delivery where/when appropriate.

In addition to capital development we will give specific focus to the following developmental initiatives:

Cultural Sector E2E Programme

The successful delivery of 3 years of NRF funded **Gallery TS1**; our creative apprenticeship scheme for NEETs in Middlesbrough and Stockton has consistently demonstrated an average of over 90% successful progression back into education or employment. This huge success has resulted in the project gaining significant attention for whom NEETs are a priority group, including the LSC.



Refugee Week 2006: Kurdish Dancers

TVA have recently agreed to pilot an LSC funded E2V (education to vocation) programme for young people in Redcar & Cleveland who have been NEET for more than 6 months. This pilot significantly uses the Arts Award in place of a 'Skills for Life' qualification as a measurable output and this a result of negotiation with the LSC. Simultaneously, TVA are in talks with LSC and other interested regional parties (including ONE, GONE, Helix Arts and the Forge) in developing a regional Cultural Sector E2E programme that arts development/cultural education agencies can offer (as training providers) as a comprehensive programme for North East NEETs.

TVA have made initial enquiries regarding the application process to the LSC to become a training provider and it is central to our 07/09 plans that this be achieved. We would also begin to address adult skills work to address the worklessness agenda.

Evolve: Engineering and Innovation

Our initial **evolve** pilot programme which was funded for two years by the Tees Valley Partnership under its aspiration & achievement programme received its final external report in April 2007. The programme is a Science through the Arts initiative that significantly works through the CPD of science teachers and a subsequent mentoring relationship between teachers and artists, rather than being purely focussed on delivery in the classroom. The report demonstrates clear impact both in terms of participating numbers and the way in which teachers observed and recorded changes in their learner's aspirations and ability to learn science. In total 36 Tees Valley schools participated (with an additional 8 schools now self funding new evolve residencies) involving over 2000 learners at key stages 1-4 and 200 science teachers.

As a result of this remarkable success, **evolve** is now 'evolving' into a transferable model.

2007-8 will see the unveiling of several key Tees Valley cultural initiatives. Evolve will consequently link with these initiatives and have already secured funding to focus on the relationship between engineering and sculpture, through the Tees Valley Regeneration programme and to explore bio-fuel technology through the arts with the North East Process Industries Cluster (NEPIC) partnership. These initiatives explicitly position creativity and enterprise at the heart of Leitch's skills agenda thus demonstrating a clear and symbiotic relationship between cultural participation and economic development.

Further plans are now underway to further translate the evolve model into a new 'innovation' curriculum where the creative process will be approached as a generic skill. The work related relevance of the evolve approach ensures subjects are not met at the lowest common denominator; but as reflection of the vibrant challenges that lie ahead.

Creative Partners for Progression CP4P

2007-08 TVA will receive Hefce funding to further develop and disseminate the 05-07 national Aimhigher/Creative Partnerships collaboration. CP4P will now focus on disseminating the projects success in three key areas:

- The development of a wider national strategic 'Creative HE' partnership
- A programme of national dissemination events that share the model and impacts of CP4P
- The securing of further funding to identify and support appropriate delivery partners to advance the work of CP4P beyond 2008.

The national project manager has been retained and is now employed by TVA 1 day per week. Graham Coatman is already working on the development of a North of England showcase event in collaboration with CP Yorkshire and Hull University. The external CP4P evaluation prepared by Felicity Woolf is available from TVA on request.

Cultural Sector Train2Gain WBL HE Framework

As the success of the Tees Valley Higher Apprenticeship in Arts Management increases and the long term future of initiatives such as CSDI diminish, the cultural sector is pursuing alternative, sustainable ways of supporting the development of its workforce.

TVA is in initial talks with NCSP, U4NE, ACENE, Business Link and other cultural and educational partners to develop a work-based and work-related HE framework for employed creative practitioners seeking professional development. It is envisaged that this framework will be developed in partnership with a regional consortium that includes regional HE providers, and that it will seek train2gain HE funds via Hefce.

It is also envisaged that the independent cultural sector and especially cultural education providers will be influential in both the planning and delivery of the scheme.

TVA has been nominated to lead on this initiative via our new skills programme and have already produced the first discussion paper and draft framework for comment and progress by the autumn.



Our Heritage & Environmental Arts programme continues to make swift progress in its role out to related sectors. Key areas for development through 07-09 include two Culture 10 applications that support high profile features that already receive significant ONE investment.

'Coast: Festival of Fire & Light' will literally highlight the developing world heritage status of St. Bede and St. Hilda and the pilgrims route from Whitby to Holy Island (along the Tees Valley coastal arc).

'Flight' will explore what migration means to different peoples. By exploring flights of passage as a multi-dimensional concept, migration can be examined through the exploration of migratory patterns and ecological issues through Saltholme International Nature Reserve, the human carbon footprint and more harrowing refugee and asylum migrations.

This overview represents a proportion of our plans for 2007/08 and is not meant to be an exhaustive list. Our planned initiatives are numerous and grow out of an expanding portfolio of partnerships. This document should provide you with an indication of our key areas for development which may or may not have significance in terms of regional cultural participation.

Proposed developments for 2008/09

The TVA board is currently discussing a proposed move toward a tiered form of governance. This may mean the introduction of a TVA management committee which becomes much more involved in the day to day functions of the company and its progress. It is envisaged that this committee would be made up of a small group of mostly private sector representatives who could advise the Executive Director in terms of business strategy and development. The existing TVA board of 18 members would remain an overseeing body with the organisation's charitable aims at its heart.

TVA will further explore and develop its own business model in order to develop long term approaches to sustainability.

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 2007 the level of free reserves was £78920.

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

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
3rd September 2007



The Puppet: Andrew Liddell, Gillbrook Technology College

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 2007 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.

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 2007 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.



SV Bye, Chartered Accountants, Registered Auditors
New Garth House, Upper Garth Gardens, Guisborough TS14 6HA
3rd September 2007



Small World Big Drums Summer School

TEES VALLEY ARTS
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE
ACCOUNT) FOR THE YEAR ENDED 31ST MARCH 2007

		Unrestricted	Restricted	Total Funds 2007	Total Funds 2006
	NOTE	£	£	£	£
INCOMING RESOURCES					
Incoming resources from generated funds					
<i>Voluntary income</i>					
Donations and grants for core funding	2	187398	-	187398	128894
<i>Investment income - bank interest</i>		3776	-	3776	1469
Incoming resources from charitable activities					
Grants and contracts for promotion of arts activities in the area	3	84172	419404	503576	475437
Total Incoming Resources		<u>275346</u>	<u>419404</u>	<u>694750</u>	<u>605800</u>
RESOURCES EXPENDED					
Charitable activities	4	193040	419404	612444	598362
Governance costs	4	22591	-	22591	17992
Total Resources Expended	4	<u>215631</u>	<u>419404</u>	<u>635035</u>	<u>616354</u>
Net resources expended					
- Net surplus/(deficit) for the year		59715	-	59715	(10554)
Total funds at 1st April		<u>19205</u>	<u>-</u>	<u>19205</u>	<u>29759</u>
Total funds at 31st March	11	<u>78920</u>	<u>-</u>	<u>78920</u>	<u>19205</u>

The notes on pages 29 to 39 form part of these accounts.



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

BALANCE SHEET

AS AT 31ST MARCH 2007

	NOTE	2007	2006
		£	£
FIXED ASSETS			
Tangible assets	7	-	-
CURRENT ASSETS			
Debtors	8	156704	166122
Cash at bank and in hand		189154	39036
		<u>345858</u>	<u>205158</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	<u>(266938)</u>	<u>(185953)</u>
NET CURRENT ASSETS		<u>78920</u>	<u>19205</u>
NET ASSETS		<u>78920</u>	<u>19205</u>
FUNDS			
Unrestricted	11	78920	19205
Restricted	11	-	-
		<u>78920</u>	<u>19205</u>

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).

A Campbell



DIRECTOR AND TRUSTEE

Approved by the Board: 3rd September 2007
and signed on its behalf by the above.

The notes on pages 29 to 39 form part of these accounts.



Refugee Week 2006: Tees Valley World Drummers

TEES VALLEY ARTS
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2007

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 2007 £	Total 2006 £	
	Arts Council England, North East - Core		72029	70104	
	Arts Council England, North East - Additional Core		48737	-	
	Middlesbrough Council- Grant		5000	4000	
	Local Councils-Donated premises		44632	37790	
	Hartlepool Borough Council		4000	4000	
	Stockton on Tees Borough Council		4000	4000	
	Redcar and Cleveland Borough Council		4000	4000	
	Darlington Borough Council		5000	5000	
			187398	128894	
3.	INCOMING RESOURCES FROM CHARITABLE ACTIVITIES				
		Unrestricted £	Restricted £	2007 £	2006 £
	Cultural diversity and well being				
	- Northern Rock Foundation (see below)	-	31311	31311	-
	- Other grants	-	100650	100650	283737
	Aspiration and achievement	-	265686	265686	128208
	Regeneration and creative resources	-	21757	21757	11000
	Fees	83457	-	83457	27777
	Miscellaneous	715	-	715	24715
		84172	419404	503576	475437
	Northern Rock Foundation Grants				
	Expanding the Cultural Capacity of the Tees				
	Received in the year	-	50800	50800	-
	Deferred	-	(40679)	(40679)	-
		-	10121	10121	-
	Winterfest development	-	1570	1570	-
	Winterfest 06/07	-	19620	19620	-
		-	31311	31311	-



TEES VALLEY ARTS
NOTES TO THE ACCOUNTS

4. TOTAL RESOURCES EXPENDED

	Basis of Allocation	Charitable Activities	Governance Costs	Total 2007	Total 2006
		£	£	£	£
Costs directly allocated to activities					
Staff costs	Direct	62283	-	62283	40510
Project costs	Direct	393987	-	393987	423217
Audit and accountancy	Direct	-	5238	5238	3033
Support costs allocated to activities					
Staff costs	Usage	74471	8275	82746	69483
General office costs	Usage	41534	4615	46149	42321
Donated premises costs	Usage	40169	4463	44632	37790
		<hr/>	<hr/>	<hr/>	<hr/>
		612444	22591	635035	616354
		<hr/>	<hr/>	<hr/>	<hr/>

Total resources expended include:

	2007	2006
	£	£
Auditors remuneration:		
- Audit fee	2500	2300
- Accounting and other services	2738	733
	<hr/>	<hr/>

5. TRUSTEES REMUNERATION

The trustees neither received nor waived any emoluments during the year (2006 : £NIL).

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



Elements

TEES VALLEY ARTS
NOTES TO THE ACCOUNTS

6. STAFF COSTS	2007 £	2006 £
Wages and salaries	110897	87874
Freelance director's cover	-	9000
Other freelance payments	23183	4730
Social security costs	10949	8389
	<hr/>	<hr/>
	145029	109993
	<hr/>	<hr/>

No employee earned more than £60000 in the year (2006: NIL)

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

	2007	2006
Chief Executive	1	1
Arts officers	2	1
Administration and support staff	3	3
	<hr/>	<hr/>
	6	5
	<hr/>	<hr/>

7. TANGIBLE FIXED ASSETS	Office Equipment £	Theatre Equipment £	Total £
COST			
At 1 st April 2006	74036	7544	81580
Additions	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 st March 2007	74036	7544	81580
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 st April 2006	74036	7544	81580
Charge for the year	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 st March 2007	74036	7544	81580
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 st March 2007	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 st March 2006	-	-	-
	<hr/>	<hr/>	<hr/>

There were no commitments to capital expenditure at 31st March 2007 and 31st March 2006.



TEES VALLEY ARTS

NOTES TO THE ACCOUNTS

8.	DEBTORS	2007 £	2006 £
	Trade debtors	154090	159233
	Prepayments	2614	3131
	VAT	-	3758
		<hr/>	<hr/>
		156704	166122
		<hr/>	<hr/>

All debtors are due within one year.

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

	2007 £	2006 £
Creditors & accruals	9842	37194
Social security and other taxes	12449	2563
Deferred income (see below - note 10)	244647	146196
	<hr/>	<hr/>
	266938	185953
	<hr/>	<hr/>

10. **DEFERRED INCOME**

	2007 £
Balance at 1 st April 2006	146196
Amount released to incoming resources	(146196)
Amount deferred in the year	244647
	<hr/>
Balance at 31 st March 2007	244647
	<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**

	Balance at 31 st March 2006 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31 st March 2007 £
Unrestricted funds	19205	275346	(215631)	-	78920
Restricted funds	-	419404	(419404)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	19205	694750	(635035)	-	78920
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>



WinterFest: Identity on Tyne poet Nkosana Mpfu

TEES VALLEY ARTS

NOTES TO THE ACCOUNTS

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	-	-	-
Current assets	106161	239697	345858
Current liabilities	(27241)	(239697)	(266938)
Net assets at 31 st March 2007	<u>78920</u>	<u>-</u>	<u>78920</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.

	2007 £	2006 £
Grants for core funding		
Arts Council England, North East	120766	70104

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

	2007 £	2006 £
Grants and fees paid for services provided		
Arts Council England, North East	29205	37972

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 2007 there were no balances due either to or from related parties. (2006: £Nil)

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Tees Valley Arts is a registered charity and a company limited by guarantee

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