

TEES VALLEY ARTS
(A company limited by guarantee)
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2013

Charity Number : 515369

Company Number : 1656560

TEES VALLEY ARTS

Contents	Page
Report of the trustees	2
Report of the Independent Examiner	12
Statement of financial activities	13
Balance sheet	14
Notes forming part of the financial statements	16

TEES VALLEY ARTS
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2013

The trustees are pleased to present their report together with the unaudited financial statements of the charity for the year ended 31st March 2013. 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 2013

Directors and Trustees

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

Cllr J Ainslie	(*)	(Appointed 9 th May 2013)
Cllr C Akers-Belcher	(*)	(Resigned 13 th June 2012)
Mr R Anderson	(*)	(Chair & Co. Secretary)
Mr J Beighton	(*)	
Mr A Campbell	(**)	
Cllr K Dixon	(*)	
Mrs E Hardwick	(**)	(Appointed 13 th June 2012)
Cllr P Hargreaves	(*)	(Appointed 10 th July 2012) (Resigned 9 th May 2013)
Mr K Howard	(**)	
Mr D Jeffery	(*)	(Appointed 13 th June 2012)
Mr M McNulty	(*)	
Ms S Paterson	(*)	
Ms D Pollard	(***)	(Appointed 26 th September 2012)
Cllr G Purvis	(*)	

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 2013

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 2013

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 previously had a very close relationship with Arts Council England, North East, which is itself a charity. A summary of transactions with this party is shown in note 13 to the Financial Statements.

Objectives and Activities

Tees Valley Arts is a small organisation which makes a big impact. TVA is a participatory arts organisation based in Middlesbrough in the North East of England, working across the five boroughs of the Tees Valley (Darlington, Hartlepool, Middlesbrough, Redcar and Cleveland, Stockton) and elsewhere. TVA champions participation in high quality, stimulating creative activities as a tool for improving the quality of life and learning for individuals and communities.

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 participatory, socially engaged arts organisation working across the five local authority areas of the Tees Valley (Darlington, Hartlepool, Middlesbrough, Redcar and Cleveland, Stockton) and sometimes beyond. 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.

In 2012/13 TVA delivered c6,000 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 2000 followers on twitter.

TVA e-newsletter goes to c1000 recipients.

TEES VALLEY ARTS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2013

Particular successes in 2012/13 (and please visit www.teesvalleyarts.org.uk)

- 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 continued to be a huge success for us. TVA has been featured on the Arts Award website, has been featured in 'Children and Young People Now' journal, a picture from our stART project was the front cover of the Arts Award brochure for 2011, and a more recent picture is included in current Arts Award publicity. TVA is now the Arts Award support agency for the whole North East.
- Artsmark: TVA was the sub-regional trainer for Artsmark; TVA Education Officer and Director were both Artsmark assessors; TVA Director is now an Artsmark validator.
- Risky Biz – our partnership with Barnardo's service for young people at risk of exploitation, funded by Comic Relief, has continued with participants achieving Bronze Arts Award, and having celebratory shows at mima. Barnardo's personnel report enhanced engagement with their service because of the project; works produced have featured in our newsletter. We hope to secure further funding to continue this excellent project.
- 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. This project continued throughout 2012/13, again achieving excellent outcomes for very vulnerable young people. We hope to secure further funding from the Foundation (which is now closing) to continue for a third year.
- 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) came to a conclusion with all residencies completed, all artworks installed, much learning gained and excellent partnerships maintained. Green TV had a great final celebration day with guest speakers Simon King, Trai Anfield and David Lindo – all established naturalists and broadcasters.
- Hope Springs – our project in partnership with Hope North East, a community agency for those trying to live in abstinence from substance abuse, was successfully concluded.
- Wider World – TVA was successful with an application to the Northern Rock Foundation to support a dedicated Refugee Arts Worker, approx 0.5 FTE x 3 years.
- Musicmix – TVA was successful with an application to Youth Music Foundation for a second (bigger) instalment of Musicmix, working with young people of diverse backgrounds.
- TVA was awarded a grant to support our core costs by the Esmee Fairbairn Foundation – we are very grateful for this support and hope it will be the start of a long and beautiful friendship
- Journeys – our project with local playwright Ishy Din, funded by Grants for the Arts, began.
- One Planet Middlesbrough – TVA was included as a delivery partner in this programme of activity led by Middlesbrough Environment City (OPM programme to be managed by Joe Dunne, who had previously been TVA Heritage and Environment Officer)
- Marketing – our free e-mailout platform, our quarterly e-newsletter and our leaflets/ promotional literature continue to receive much positive feedback.

TEES VALLEY ARTS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2013

Review of the year

TVA began the financial year 2012/13 with 6 core staff – Director, Finance Manager, Communications Officer, Education Officer, Heritage and Environment Officer, Youth and Community Officer. However, in January 2013 the H and E Officer left for a new role and this post was closed, reducing the core team to 5 for the remainder of 2012/13 and continuing.

The core team is augmented by a three year x half time post of Refugee Arts Officer, funded by the Northern Rock Foundation (this work was previously funded by the Baring Foundation).

TVA activities have been delivered, as always, by a wide range of freelance artists, working in many and varied artforms, and coming predominantly from the North East region. All advertised residency opportunities 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 participatory arts, despite (and because of) some of the very challenging constituencies that we work with.

Over the previous two years, TVA lost its regular core funding from Arts Council England, during their national review, and lost its core support from the five Tees Valley local authorities, due to the pressure on them to minimise external spend. To help address this, TVA personnel agreed to reduce their working week by one day, thus the organisation in effect now works Tuesday to Friday. Despite these measures, and despite ongoing very hard work from all personnel, at the end of 2012/13 TVA needed to draw £19,757 from its reserves, leaving the reserves at £50,496.

This fact should not detract from the recognition due to TVA for its outstanding and continuing contribution to the cultural life of the Tees Valley, for the consistently great and varied art produced in sometimes unlikely circumstances, and for the life-changing opportunities offered to Tees Valley residents of all backgrounds and abilities.

TEES VALLEY ARTS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2013

TVA's freelance artists and key partners

TVA continues to work with a wide variety of freelance artists; some we work with frequently and thus develop good understanding and trust, knowing that they are able to work well with challenging groups and to achieve high quality arts outcomes, whilst we also engage with others who are new to us. Both circumstances are welcome and necessary for continuing and refreshing good practice.

Whilst most of the artists we work with are necessarily based within reasonable travelling distances (though this does include the whole North East, artists are very prepared to travel for good work), our 'Journeys' project, working with playwright Ishy Din and supported by Arts Council England, included an element of ongoing mentoring for Ishy from Fin Kennedy, a London based award winning playwright. This has been valuable and interesting for Ishy, for project drama workers and participants, and for TVA.

There has also been considerable activity with reference to arts partnerships; our positive relationship with MIMA continues, and 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 has contributed funding to support the TVA free e-mailout system during 2012/13.

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

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.

TVA's Board contains representatives from creative industries, artists and arts organisations, Teesside University, Cleveland College of Art and Design, banking and finance, environmental and other voluntary organisations and elected members of Tees Valley Councils. Thanks are due to Board members for their time, interest and support.

TEES VALLEY ARTS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2013

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 invariably report their enthusiasm for the project/s they have worked on, and say that they have been 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 sometimes can support artists' get-togethers and creative CPD sessions, which serve to upskill individuals and to add value to their practice and to our projects.

Governance

Richard Anderson has continued as Chair of the TVA Board; Richard is a financier with a background in risk and compliance, he is currently Head of Risk and Compliance at Gentoo Genie Ltd. Other trustees in 2012/13 were: James Bighton (Senior Curator at MIMA); Tony Campbell (Director, Creative Glass); Ken Dixon (Stockton Councillor); Eyv Hardwick (Programme Leader for Applied Arts at Cleveland College of Art and Design); Kev Howard (artist and cultural activist); David Jeffery (Business Partner with Yorkshire Bank); Mike McNulty (formerly of the Environment Agency); Sharon Paterson (Vice Dean of Culture, Teesside University); Doff Pollard (Chief Executive, Tees Valley Rural Community Council); Geraldine Purvis (Middlesbrough Councillor)

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.

TEES VALLEY ARTS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2013

Issues for 2013/14

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 (strong, creative and positive) survival is the biggest immediate challenge for 2013/14.

Without this core support, TVA needs to raise (almost – see note) 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.

Note: TVA received an award of £30K (spanning 2012/13 and 2013/14) from the Esmee Fairbairn Foundation for core costs support – this award is hugely valuable to us, as the only core support received by the organisation

This represents a big challenge for TVA, but TVA personnel are creative and resilient, and the organisation has developed and enhanced many strong and beneficial partnerships.

Outline plans and objectives for 2013/14

Work will continue in line with our declared aims and intentions, making great projects happen, offering participants great opportunities for learning and self-expression, and creating great art; TVA personnel will – undoubtedly - remain dedicated, hardworking and flexible.

- TVA will write a new three year business and development plan.
- TVA will continue to develop partnerships and innovative project activity to the benefit of the residents of the Tees Valley, of all ages, backgrounds and abilities.
- TVA will maintain and enhance existing and new partnerships, in the arts sector and otherwise.
- TVA will endeavour to maintain and enhance its good reputation locally, regionally and nationally, and to support that with effective and attractive communications.
- TVA intends to continue its work with vulnerable young people (c60% of our total activity), embedding the Arts Award in projects wherever possible.
- TVA intends to continue its activity with Arts Award and Artsmark.

Rowena Sommerville
Director TVA
June 2013

TEES VALLEY ARTS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2013

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 2013 the level of free reserves was £50496.

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.

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



R Anderson

Trustee
4th September 2013

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF TEES VALLEY ARTS

I report on the accounts of the company for the year ended 31st March 2013 which are set out on pages 13 to 21.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's report


My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- 1 which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met; or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

New Garth House
Upper Garth Gardens
Guisborough
TS14 6HA


Mrs E Hamilton FCA
S V Bye
Chartered Accountants
4th September 2013

TEES VALLEY ARTS
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE
ACCOUNT) FOR THE YEAR ENDED 31ST MARCH 2013

	NOTE	Unrestricted £	Restricted £	Total Funds 2013 £	Total Funds 2012 £
INCOMING RESOURCES					
Incoming resources from generated funds					
<i>Voluntary income</i>					
Donations and grants for core funding	2	60050	20000	80050	160415
<i>Investment income - bank interest</i>		202	-	202	220
Incoming resources from charitable activities					
Grants and contracts for promotion of arts activities in the area	3	2660	250467	253127	266299
Total Incoming Resources		<u>62912</u>	<u>270467</u>	<u>333379</u>	<u>426934</u>
RESOURCES EXPENDED					
Charitable activities	4	65758	270467	336225	403098
Governance costs	4	16912	-	16912	21337
Total Resources Expended	4	<u>82670</u>	<u>270467</u>	<u>353137</u>	<u>424435</u>
Net resources expended					
- Net (deficit)/surplus for the year		(19758)	-	(19758)	2499
Total funds at 1 st April		70254	-	70254	67755
Total funds at 31st March	11	<u>50496</u>	<u>-</u>	<u>50496</u>	<u>70254</u>

The notes on pages 16 to 21 form part of these accounts.

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

BALANCE SHEET

AS AT 31ST MARCH 2013

	NOTE	2013		2012	
		£	£	£	£
FIXED ASSETS					
Tangible assets	7		-		-
CURRENT ASSETS					
Debtors	8	8835		22316	
Cash at bank and in hand		220254		319323	
		<u>229089</u>		<u>341639</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	(178593)		(271385)	
		<u> </u>		<u> </u>	
NET CURRENT ASSETS			50496		70254
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	9		-		-
			<u> </u>		<u> </u>
NET ASSETS			50496		70254
FUNDS			<u> </u>		<u> </u>
Unrestricted	11		50496		70254
Restricted	11		-		-
			<u> </u>		<u> </u>
			<u>50496</u>		<u>70254</u>
			<u> </u>		<u> </u>

For the year ending 31st March 2013 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 2013

(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: 4th September 2013
and signed on its behalf by the above.

The notes on pages 16 to 21 form part of these accounts.

TEES VALLEY ARTS
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2013

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 FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2013

2. DONATIONS AND GRANTS FOR CORE FUNDING

	Total 2013	Total 2012
	£	£
Unrestricted		
Esmee Fairbairn Charitable Trust	15000	-
Middlesbrough Council- Grant	5050	5000
Arts Council England, North East-Core	-	74253
Local Councils-Donated premises and services	40000	46162
Hartlepool Borough Council	-	5000
Stockton on Tees Borough Council	-	5000
	60050	135415
	60050	135415
Restricted		
Northern Rock Foundation	20000	25000
	20000	25000

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted	Restricted	2013	2012
	£	£	£	£
Inclusion				
-Northern Rock Foundation (see below)	-	3000	3000	2109
-Other grants and income	-	71605	71605	90067
Education	-	51017	51017	22286
Education-Heritage and Environment	-	53726	53726	60767
Fees	-	57519	57519	61883
Miscellaneous	2660	13600	16260	29187
	2660	250467	253127	266299
	2660	250467	253127	266299
Northern Rock Foundation Grants				
<i>Expanding the Cultural Capacity of the Tees</i>				
Received in the year	-	-	-	-
Deferred income released in the year	-	6554	6554	8663
Deferred income carried forward	-	(3554)	(3554)	(6554)
	-	3000	3000	2109
	-	3000	3000	2109

TEES VALLEY ARTS
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2013

4. TOTAL RESOURCES EXPENDED

	Basis of Allocation	Charitable Activities £	Governance Costs £	Total 2013 £	Total 2012 £
Costs directly allocated to activities					
Staff costs	Direct	52692	-	52692	68879
Project costs	Direct	156934	-	156934	169118
Audit and accountancy	Direct	-	-	-	2993
Independent Examiner	Direct	-	2845	2845	-
Support costs allocated to activities					
Staff costs	Usage	60524	6725	67249	93203
General office costs	Usage	30075	3342	33417	44080
Donated premises costs	Usage	36000	4000	40000	46162
		-----	-----	-----	-----
		336225	16912	353137	424435
		=====	=====	=====	=====

Total resources expended include:

	2013 £	2012 £
Auditors remuneration:		
- Audit fee	-	2500
- Accounting and other services	-	493
Independent Examiner's fee	1500	-
	=====	=====

5. TRUSTEES' REMUNERATION

The trustees neither received nor waived any emoluments during the year relating to their role as trustees. (2012: £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:

	2013 £	2012 £
Mr K Howard	6360	6161
Proportion Marketing Ltd (Connected party of Mr J Pendleton)	-	1825
	=====	=====

TEES VALLEY ARTS
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2013

6. STAFF COSTS	2013	2012
	£	£
Wages and salaries	110657	147572
Social security costs	9284	14510
	119941	162082

No employee earned more than £60000 in the year (2012: NIL)

The average number of employees was:

	2013	2012
Chief Executive	1	1
Arts officers	3	3
Administration and support staff	2	2
	6	6

7. TANGIBLE FIXED ASSETS

	Office Equipment £
COST	
At 1 st April 2012	74036
Disposal	-
	74036
At 31 st March 2013	74036
DEPRECIATION	
At 1 st April 2012	74036
Disposal	-
	74036
At 31 st March 2013	74036
NET BOOK VALUE	
At 31 st March 2013	-
At 31 st March 2012	-

There were no commitments to capital expenditure at 31st March 2013 and 31st March 2012.

TEES VALLEY ARTS
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2013

8.	DEBTORS	2013	2012
		£	£
	Trade debtors	5430	18669
	Prepayments and accrued income	3405	3647
		<hr/>	<hr/>
		8835	22316
		<hr/> <hr/>	<hr/> <hr/>

All debtors are due within one year.

9a. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

		2013	2012
		£	£
	Creditors & accruals	12494	17953
	Social security and other taxes	2869	13121
	Charity Bank Loan	-	3424
	Deferred income (see below - note 10)	163230	236887
		<hr/>	<hr/>
		178593	271385
		<hr/> <hr/>	<hr/> <hr/>

10.	DEFERRED INCOME		2013
			£
	Balance at 1 st April 2012		236887
	Amount released to incoming resources		(236887)
	Amount deferred in the year		163230
			<hr/>
	Balance at 31 st March 2013		163230
			<hr/> <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 FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2013

11. STATEMENT OF FUNDS

	Balance at 31st March 2012 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31st March 2013 £
Unrestricted funds	70254	62913	(82670)	-	50496
Restricted funds	-	270467	(270467)	-	-
	<u>70254</u>	<u>333380</u>	<u>(353137)</u>	<u>-</u>	<u>50496</u>

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	-	-	-
Current assets	65859	163230	229089
Current liabilities	(15363)	(163230)	(178593)
Net assets at 31 st March 2013	<u>50496</u>	<u>-</u>	<u>50496</u>

13. RELATED PARTIES

The charity has previously had a close relationship with Arts Council England, North East (ACENE) which is itself a charity. ACENE provided core funding to enable the charity to carry out its charitable objects up to 31st March 2012.

The following is a summary of transactions with this party.

	2013 £	2012 £
Grants for core funding		
Arts Council England, North East	-	74253

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

At 31st March 2013 there were no balances due either to or from related parties. (2012: £Nil)