

TEES VALLEY ARTS
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2017

Charity Number : 515369

Company Number : 1656560

TEES VALLEY ARTS

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TEES VALLEY ARTS
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH 2017

The Trustees present their report and the audited financial statements of the charity for the year ended 31st March 2017. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014 (as amended by Update Bulletin 1 published on 2 February 2016).

Reference and administrative information

Charity name:	Tees Valley Arts
Charity registration number:	515369
Company registration number:	1656560
Registered office and operational address:	Royal Middlehaven House 21 Gosford Street Middlesbrough TS2 1BB

Directors and Trustees

Under Article 28 of the Articles of Association, the Directors, who are charity trustees as defined by section 177 of the Charities Act 2011, shall number no less than 12 and not be subject to a maximum.

TEES VALLEY ARTS

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH 2017

Directors and Trustees

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

Cllr J Ainslie	
Mr R Anderson	(Chair until 14 th June 2017)
Mr A Campbell	
Mrs E Hardwick	Resigned 7 th December 2016
Mr M Lavery	(Chair from 14 th June 2017)
Cllr J Mason	Resigned 7 th December 2016
Mr M McNulty	
Ms D Pollard	
Mr G Flanagan	
Ms M Walters	Appointed 8 th June 2016

Chief Executive Officer

Rowena Sommerville

Independent Examiner

Mr J Gresham FCCA
Baldwins (Guisborough) Limited
New Garth House
Upper Garth Gardens
Guisborough
TS14 6HA

Bankers

HSBC plc
60 Albert Road
Middlesbrough
TS1 1RS

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH 2017

Structure, governance and management, and 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, 4th December 2000, as amended by certificate of incorporation of change of name dated 5th September 2003, as amended by special resolutions passed 5th September 2011, 6th March 2013 and 2nd March 2016.

In the event of the company 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 a participatory arts organisation based in Middlesbrough, working across the five boroughs of the Tees Valley: Darlington, Hartlepool, Middlesbrough, Redcar and Cleveland, and Stockton. TVA designs and manages bespoke creative activities which are delivered by freelance artists using many different artforms; we believe that through creative participation, people of all abilities, ages and backgrounds can engage, enjoy, learn and make progress in their lives, and that creative participation can be a transformational tool for improving life and learning for individuals and communities.

Recruitment and appointment of the Directors:

The charity's policy for recruitment of Directors is outlined elsewhere in this document.

Director induction and training:

All new Directors complete an induction and are issued with a role profile clearly setting out their legal responsibilities and what is expected of them. Directors are encouraged to attend at least one project event during the year as well as participate in a strategic away-day.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH 2017

Risk management:

The charity has produced a three-year strategic plan 2015/18, which outlines the policies, strategies, aims and objectives of the organisation over a 3-year period while fully taking into account external threats and opportunities. An annual business plan is approved by the Board.

Internal risks are minimised by the implementation of a policy framework and procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charitable company. The policy and procedures are periodically reviewed to ensure that they meet our regulatory and business needs. Board and staff sub-committees are set up to ensure regular periodic review of specific issues such as policy updating, presentation of statistics and financial reporting.

Organisational Structure:

A board of Directors of at least 8 members, who meet quarterly, oversees the charity.

A Chief Executive Officer is appointed by the Directors to manage the day-to-day operations of the charity. Additionally there are two core team roles: Office Co-ordinator and Projects Officer.

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.

TEES VALLEY ARTS

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH 2017

Particular successes in 2016/17

- Our positive working relationship with Teesside University continued. For Refugee Week (June 16) we placed Maurice Dezou into three schools to work with school children, and then brought them together in a mass drum of 90 pupils! We also delivered a number of creative activities for the Refugee Week open day. In October 16 – Black History Month – we brought in legendary campaigning poet Linton Kwesi Johnson. This was very well-attended, and some of the audience – who were spellbound – had travelled considerable distances to be there.
- We designed and delivered CPD to schools to help them plan their arts curriculum, and to explore using the arts to support learning in other subject areas.
- Delightfully, we were commissioned by CF Fertilisers to help them improve the appearance of their (sizeable and heavily industrial) site, which would then lead to workers on the site feeling more positive and taking more personal responsibility for safety procedures. We worked with artist Adrian Moule, and with children from High Clarence Primary School (as lead designers) to decorate some large concrete plinths with rural vistas and wildlife scenes. This was an unusual project because of the nature of the site, and the opportunity to work with some heavy industry – great!
- As the arts partners in the River Tees Rediscovered Landscape Partnership (up until late summer 2016) we delivered a number of projects including one-day events at Tees Barrage and Includfest in Darlington, and longer residencies at Piercebridge (celebrating the Romans, visual and 3D arts, artist Bub Bacon), at South Park, Darlington (visual arts, Vicky Holbrough), at St Joseph's RC Primary in Hartlepool (Tees mythology and folklore, music and song, with Sara Dennis), at Pathways School in Redcar (music with Matthew Jones and Mark Owens, poetry with Matt Abbott), celebrated the Queen's 90th birthday through silk painting with St Cuthbert's Primary School (artist Shirley Wells) and in Middlesbrough we partnered with MIMA to host artist Emily Hesse who worked with people from the Eritrean community to make a pot and vessels for an Eritrean Coffee Ceremony, which garnered a lot of great publicity, including praise from Sir Nicholas Serota!
- The Musicmix 3 project – our third consecutive grant from Youth Music Foundation – ran throughout 2016 with musicians Maurice Dezou and Gabriel Mulangu. The project finished in late 2016, and some of the young people had been with us for all six years, growing up, growing in skills and confidence, moving on in their lives – lovely stuff!
- We successfully applied to the People's Health Trust Active Communities for two more years' funding to work with the lovely ladies of Thorntree Roses, so Thorntree Roses Bloom was born. This has been a great project, the women have flourished and the group now includes women from 30 to 70 years of age; in September 2017 the group will have a stall at Festival of Thrift, to display and sell their hand-crafted wares.
- We successfully tendered for the opportunity to work for the Ministry of Justice, delivering creative sessions to men in Kirklevington Grange and Holme House prisons through the Making Time project, which is in delivery from January until September 2017. This has been a huge learning curve on both sides, and feedback from the men has been terrific, for some it is clearly the highlight of their week. Artists on the project are/will be Jane Kenington, Michael Edwards, Shirley Wells, Jo Colley, Bub Bacon, Andy Croft, Will Lang, and Guy Mitchell. Arts in prisons is a hugely interesting area, and offers real hope of 'redemption' if the activities are properly supported, delivered and followed up on. TVA is really grateful for this opportunity, thanks to the governors for their ambition.

TEES VALLEY ARTS

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH 2017

Particular successes in 2016/17 (continued)

- TVA was commissioned by Stockton Council Public Health to work with students at Stockton Riverside College to create an animation ('Be You') exploring the pressures the media puts on young people about body image – too fat, too thin, too muscly, too weedy etc. Artists were Robin Webb (animation) and Michael Edwards (creative writing).
- TVA was accepted as a partner in the **Step Forward Tees Valley** – Building Better Opportunities initiative, working with those furthest from the work place.
- A great achievement was that TVA was successful with its application to Arts Council **Catalyst Evolve Fund**, which supports philanthropic fundraising, and can match income raised. While this activity is very new for TVA this offers the organisation a great opportunity.
- TVA was part of the collaborative Tees Valley-wide application to Arts Council/ Heritage Lottery Fund grant stream '**Great Places**', early in 2017. This application was successful and delivery will begin summer 2017. TVA has two sub-projects within the overall programme, both of which will work in all five boroughs, and will also work with Darlington Borough Council on their intended activity to celebrate the Stockton/ Darlington railway trackbed, and Head of Steam Museum.

Review of the Year 2015/16

Ree Collins, TVA Projects Officer, left in April 2016, thus the core team consisted of Chief Executive Officer (0.8FTE) and Office Co-ordinator (0.8FTE), however, Miki Rogers was then appointed as Project Manager for the Thorntree Roses Bloom and Making Time projects. The Wider World Refugee Arts programme, funded by Northern Rock Foundation, came to an end, so Maurice Dezou left the organisation (having relocated away from Teesside) after many years' service.

Zoe Bishop (recent CCAD graduate) came to TVA as a volunteer, and we were able to secure Creative Apprenticeship Programme funding to support us in offering her a six-month internship. She has continued as a volunteer since then, so we can still benefit from her design skills. Other volunteers have included a variety of people at differing stages in their lives, but all wanting to offer some time, and to gain some networking.

In early 2017 we were joined by two third year occupational therapy students from Teesside university, as their 'non-traditional placement'. The two young women were a credit to themselves and the university, and the placement offered them a terrific learning experience, and allowed us to deepen our understanding of measuring and demonstrating the impact made by our interventions.

TVA's Partners and Freelance Artists

Partnerships at all levels remain hugely important for TVA, and allow us to create and deliver all of the work that we do.

During the year Board members Eyv Hardwick and Cllr Josh Mason (Redcar and Cleveland) stepped down, and Cllr Margaret Walters (Middlesbrough) joined. Richard Anderson continued as Chair of Trustees.

A significant development for TVA and for the Tees Valley region has been the creation of a new role at the Tees Valley Combined Authority – the post of Lead for Culture and Tourism. We welcome Linda Tuttielt who was appointed to that role, and we particularly welcome the actions and drive that she and her small team are bringing to strengthening and enriching cultural actions here.

TEES VALLEY ARTS

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH 2017

TVA's Partners and Freelance Artists (continued)

TVA works with a wide variety of freelance arts practitioners, and we thank them for their invaluable contributions.

Review of the year: (continued)

Governance

TVA's Board contains representatives of different sectoral interests and professions. Thanks are due to trustees for their time, interest and support.

Richard Anderson (Group Legal and Compliance Director for Marston Holdings) continued as Chair of Trustees.

Other Directors in 2016/17 were: Jim Ainslie; Tony Campbell; Ged Flanagan; Eyv Hardwick (resigned 07.12.16); Michael Lavery; Josh Mason (resigned 07.12.16); Mike McNulty; Doff Pollard; Margaret Walters (Middlesbrough Councillor, joined 08.06.16)

The Board has been conscious of the greater importance being placed on charity governance. TVA's Board members and staff had discussions about how the Board operates and fulfils its responsibilities, and how the members were involved in TVA's activities and with its staff. The Board has taken account of reports about charity governance such as the draft "Good Governance Code". As a consequence the Board agreed a framework setting out explicitly the basis for how TVA Directors will carry out their activities. This included formally establishing a number of sub-committees to provide increased scope for governance matters to be addressed in detail. The Board also initiated a skills audit of the Directors to inform it about the capacity to fulfil its responsibilities.

Fundraising

TVA maintains its great offer to the Tees Valley through continuous fundraising, grant applications and submission of tenders.

We thank all our funders, and we are particularly grateful to the Esmée Fairbairn Foundation who have awarded us a grant to our core costs over three years.

TVA has begun to address the issue of recruiting philanthropic fundraising from individuals and businesses – which is very new to us. TVA is very grateful for a grant from the Arts Council Catalyst Evolve fund which helps us develop new approaches, and offers match funding to funds raised in this way.

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 £125,000. At 31st March 2017 the level of free reserves was £43,565.

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

TEES VALLEY ARTS

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH 2017

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 Directors will continue to review this policy.

TEES VALLEY ARTS

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH 2017

Responsibilities of the Directors

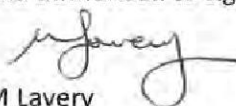
The Directors (who are also charity trustees of Tees Valley Arts as defined by section 177 of the Charities Act 2011) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors 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 Directors 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 Directors 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 Directors on
and authorised to sign on their behalf



M Lavery

Chair of the Board of Directors

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

I report on the accounts of the company for the year ended 31st March 2017 which are set out on pages 11 to 21.

Respective responsibilities of directors and examiner

The Directors (who are also charity trustees of Tees Valley Arts as defined by section 177 of the Charities Act 2011) are responsible for the preparation of the accounts. The Directors 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.

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 Directors 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



Mr J Gresham
Baldwins (Guisborough) Limited
Chartered Accountants

TEES VALLEY ARTS
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR
ENDED 31ST MARCH 2017

	Unrestricted	Restricted	Funds	Funds	Total	Total
					2017	2016
	NOTE	£		£	£	£
INCOME						
Donations and grants for core funding	2	30000		-	30000	45000
Income from charitable activities						
Grants and contracts for promotion of arts activities in the area	3	39056	136390		175446	141413
Investment income - bank interest		24		-	24	59
		<u> </u>	<u> </u>		<u> </u>	<u> </u>
Total Incoming Resources		69080	136390		205470	186472
		<u> </u>	<u> </u>		<u> </u>	<u> </u>
EXPENDITURE						
Expenditure on charitable activities						
Costs of arts promotion etc	4	124993	65659		190652	203088
Governance costs	4	8399		-	8399	6744
		<u> </u>	<u> </u>		<u> </u>	<u> </u>
Total expenditure	4	133392	65659		199051	209832
		<u> </u>	<u> </u>		<u> </u>	<u> </u>
Net income/(expenditure)		(64312)	70731		6419	(23360)
Transfers between funds		60643	(60643)		-	-
		<u> </u>	<u> </u>		<u> </u>	<u> </u>
Net movement in funds for the year		(3669)	10088		6419	(23360)
Total funds brought forward		47234	40490		87724	111084
		<u> </u>	<u> </u>		<u> </u>	<u> </u>
Total funds carried forward	11	43565	50578		94143	87724
		<u> </u>	<u> </u>		<u> </u>	<u> </u>

The notes on pages 13 to 21 form part of these accounts.

TEES VALLEY ARTS
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017

1. ACCOUNTING POLICIES

(a) General information and basis of preparation

Tees Valley Arts is a company limited by guarantee and registered in England. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are 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.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2016 and UK Generally Accepted Practice as it applies from 1 January 2015.

The charity has applied Update Bulletin 1 as published on 2 February 2016 and does not include a cash flow statement on the grounds that it is applying FRS 102 Section 1A.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The charity adopted SORP (FRS 102) in the current year but this has not affected the financial position or performance.

(b) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

TEES VALLEY ARTS
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017

1. ACCOUNTING POLICIES

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Investment income is earned through holding cash in a deposit account and is recognised when it is earned.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. All direct costs relate to the charity's charitable activities.

TEES VALLEY ARTS
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017

1. ACCOUNTING POLICIES

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 3.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

(f) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Fixtures and fittings	25% reducing balance.
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(g) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(h) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

TEES VALLEY ARTS
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017

1. ACCOUNTING POLICIES

(i) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

(j) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(k) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

TEES VALLEY ARTS
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017

2. DONATIONS AND GRANTS FOR CORE FUNDING

	Total 2017 £	Total 2016 £
Unrestricted		
Esmee Fairbairn Charitable Trust	30000	45000

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted £	Restricted £	2017 £	2016 £
Received in the year				
One Planet Middlesbrough	-	-	-	18024
Ministry of Justice	-	39142	39142	-
River Tees Rediscovered	-	27010	27010	15168
Arts Council England	-	24000	24000	-
Thorn tree Roses Bloom	-	17408	17408	17686
Teesside University	-	15779	15779	26699
Stockton Borough Council	-	5667	5667	-
Youth Music Foundation	-	2984	2984	26856
Redcar and Cleveland Borough Council	-	1900	1900	-
Middlesbrough Institute for Modern Art	-	1500	1500	1000
Forward Assist	-	1000	1000	-
Police & Crime Commissioner Cleveland	-	-	9950	-
Lloyds TSB	-	-	-	7162
Middlesbrough & Teesside Philanthropic Foundation	-	-	-	4750
Department for Work & Pensions	-	-	-	2500
Middlesbrough Council – Let's Make a Noise	-	-	1863	-
Billingham Legacy	-	-	-	500
Other grants, fees and commissions	39056	-	39056	9255
	<u>39056</u>	<u>136390</u>	<u>175446</u>	<u>141413</u>

Of total income of £205470 in 2017 (2016: £186472), £136390 (2016: £132158) was credited to restricted funds and £69080 (2016: £54314) was credited to unrestricted funds.

TEES VALLEY ARTS
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017

4. TOTAL RESOURCES EXPENDED

	Basis of Allocation	Charitable Activities	Governance Costs	Total 2017	Total 2016
		£	£	£	£
Costs directly allocated to activities					
Staff costs	Direct	25681	-	25681	48943
Project costs	Direct	69803	-	69803	57745
Independent Examiner	Direct	-	1000	1000	1000
Other accountancy costs	Direct	-	2390	2390	671
Support costs allocated to activities					
Staff costs	Usage	52738	2776	55514	54027
General office costs	Usage	20190	1063	21253	26399
Premises costs	Usage	22240	1170	23410	21047
		<u>190652</u>	<u>8399</u>	<u>199051</u>	<u>209832</u>

Of the £199051 of expenditure in 2017 (2016: £209832) £65659 was charged to restricted funds (2016: £107712) and £133392 was charged to unrestricted funds (2016: £102120).

Total resources expended include:

	2017	2016
	£	£
Independent Examiner's fee	1000	1000
	<u>1000</u>	<u>1000</u>

5. DIRECTORS' REMUNERATION

The Directors neither received nor waived any emoluments during the year relating to their role as Directors. (2016: £NIL). No out of pocket expenses were reimbursed to any of the Directors.

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6. STAFF COSTS	2017 £	2016 £
Wages and salaries	71714	66471
Social security costs	2885	3721
Pension costs	666	-
Freelance staff	5930	32778
	<u>81195</u>	<u>102970</u>

No employee earned more than £60000 in the year (2016: NIL)

The average number of employees was:

	2017	2016
Chief Executive	1	1
Arts officer	1	1
Administration and support staff	1	1
	<u>3</u>	<u>3</u>

7. TANGIBLE FIXED ASSETS

	Office Equipment £
COST	
At 1 st April 2016	
And at 31 st March 2017	74036
	<u> </u>
DEPRECIATION	
At 1 st April 2016	
And at 31 st March 2017	74036
	<u> </u>
NET BOOK VALUE	
At 31 st March 2017	-
	<u> </u>
At 31 st March 2016	-
	<u> </u>

There were no commitments to capital expenditure at 31st March 2017 and 31st March 2016.

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8. DEBTORS	2017	2016
	£	£
Trade debtors	-	125
Prepayments and accrued income	3501	4985
	<hr/>	<hr/>
	3501	5110
	<hr/>	<hr/>

All debtors are due within one year.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Creditors & accruals	4157	3217
Social security and other taxes	1753	73
	<hr/>	<hr/>
	5910	3290
	<hr/>	<hr/>

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	-	-	-
Net current assets	43565	50578	94143
	<hr/>	<hr/>	<hr/>
Net assets at 31 st March 2017	43565	50578	94143
	<hr/>	<hr/>	<hr/>

TEES VALLEY ARTS
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
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11. STATEMENT OF FUNDS

	Balance at 31 st March 2016 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31 st March 2017 £
Unrestricted funds					
General Funds	47234	69080	(133392)	60643	43565
Restricted funds	40490	136390	(65659)	(60643)	50578
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	87724	205470	(199051)	-	94143
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Purposes of Funds

Restricted Funds

Though many projects were undertaken in the year, the following were on going at 31st March 2017 and these represent the balance carried forward.

Arts Council England **Balance at 31st March 2017 £23103**

Teesside University **Balance at 31st March 2017 £2461**

The charity worked with Teesside University to host Black History Month and other events.

Thorntree Roses Bloom **Balance at 31st March 2017 £6492**

Thorntree Roses is a two-year project funded and managed from a £32k grant by the People's Health Trust, through their HealthImprove 'Active Communities' Fund. The project aims to empower the women of the Thorntree Estate in Middlesbrough to improve their lives and community through the arts and builds on our earlier Thorntree Roses project.

Ministry of Justice **Balance at 31st Match 2017 £18522**

Tees Valley Arts is working in partnership with HM Prison Service in two local prisons, to offer prisoners creative activities, which will help them to develop new skills, personal confidence and positive ways of passing the time.

