

**TEES VALLEY ARTS**  
**(A company limited by guarantee)**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31ST MARCH 2018**

Charity Number : 515369

Company Number : 1656560

## TEES VALLEY ARTS

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**TEES VALLEY ARTS**  
**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018**

The Trustees present their report and the audited financial statements of the charity for the year ended 31<sup>st</sup> March 2018. 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 8 and not be subject to a maximum.

## **TEES VALLEY ARTS**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018**

#### **Directors and Trustees**

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

Mr J Ainslie	
Mr R Anderson	(Chair until 14 <sup>th</sup> June 2017, Resigned 7 <sup>th</sup> March 2018)
Mr A Campbell	
Mr M Lavery	(Chair from 14 <sup>th</sup> June 2017)
Mr M McNulty	
Ms D Pollard	
Mr G Flanagan	
Cllr M Walters	
Cllr C Hannaway	Appointed 14 <sup>th</sup> December 2017
Prof N Vall	Appointed 14 <sup>th</sup> December 2017

#### **Executive Director**

James Beighton

#### **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 31<sup>ST</sup> MARCH 2018

**Structure, governance and management, and governing document:**

Tees Valley Arts is a company limited by guarantee, incorporated on 5<sup>th</sup> August 1982, and a registered charity governed by its memorandum and articles of association as amended by special resolution(s) dated 03 May 1984 as amended by special resolution(s) dated 5<sup>th</sup> June 1984 as amended by certificate of incorporation on change of name dated 11<sup>th</sup> July 1984 as amended by special resolution(s) dated 2<sup>nd</sup> December 1987 as amended by special resolution(s) dated 18<sup>th</sup> March 1996 as amended by special resolution(s) dated 4<sup>th</sup> December 2000 as amended by certificate of incorporation on change of name dated 5<sup>th</sup> September 2003 as amended by special resolution(s) dated 5<sup>th</sup> September 2011 as amended by special resolution(s) dated 6<sup>th</sup> March 2013 as amended by special resolution(s) dated 2<sup>nd</sup> March 2016 as amended by special resolution(s) dated 7<sup>th</sup> September 2016 as amended by special resolution(s) dated 7<sup>th</sup> January 2017.

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, develop, provide and maintain access to, and engagement in, arts and culture, for the public benefit and education of people in the Tees Valley, particularly those with fewest opportunities to participate in, and to make progress through, such engagement.”

**Mission statement:**

Tees Valley Arts is a charity that uses the arts to create social change.

We believe that arts and culture create societies and offer challenges to the status quo. Communities have a right to tell their stories which reflect their past and will shape their future. Tees Valley Arts will act as a catalyst for all communities to become cultural producers, galvanising creative action and championing positive change.

Working with partners, we will lead in the cultural sector regionally and advocate for our region’s culture in national and international arenas.

**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.

## **TEES VALLEY ARTS**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018**

#### **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.

An Executive Director is appointed by the Directors to manage the day-to-day operations of the charity. Additionally, there are two core team roles: Operations Manager and Curator.

#### **Objectives and Activities:**

Tees Valley Arts is a charity that uses the arts 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. Tees Valley Arts champions co-production of high quality, stimulating creative activities as a tool for enhancing learning and life for individuals and communities.

The Memorandum and Articles of Association of the charity state its principal objects to be “to promote, develop, provide and maintain access to, and engagement in, arts and culture, for the public benefit and education of people in the Tees Valley, particularly those with fewest opportunities to participate in, and to make progress through, such engagement.”

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 31<sup>ST</sup> MARCH 2018

#### Particular successes in 2017/18

- **Making Time:** a project working with inmates in Kirklevington and Holme House prison and supported by the Ministry of Justice has supported the rehabilitation of prisoners whilst addressing skills development and mental health. A gallery has now been established in Kirklevington Prison and the arts activities that we initiated have been sustained by inmates. A particular highlight was one of the works made during this project being personally selected by Antony Gormley to exhibit in the Koestler Award exhibition at London's Southbank Centre.
- **Thorntree Roses Bloom:** representing a continuation of our work in the Thorntree Ward of Middlesbrough and our relationship with this group of female residents who have become active cultural ambassadors within their communities and who are now taking a lead on the project moving to becoming self-sustainable and formally constituted.
- **Festival of Thrift:** we have built upon our relationship with the Festival of Thrift, delivering a programme with the Sue Gill, John Fox and the associated artists of the Dead Good Guides to develop skills for delivering and officiating at artistic civil ceremonies. We were also able to support our friends in the Thorntree Roses group to present and sell their work at the festival, something that they plan to continue in the future.
- **Creative Bloom:** developed in partnership with Middlesbrough Council, Navigator North and Middlesbrough Institute of Modern Art, we supported and delivered sessions on this artist CPD programme.
- **Catalyst / Evolve:** as part of our partnership with Arts Council England to develop our fundraising capacity, especially in relation to private philanthropy we were able to deliver two fundraiser events in the form of a supper for invited guests and a fundraising concert at the Arc in Stockton. Notable success has also been achieved in terms of small donations through regular direct debits and through capitalizing on incentivized giving.
- **CFF Fertilizers outdoor sculpture:** we delivered an outdoor sculpture project on behalf of CFF Fertilizers on the site of the former ICI works, together with community in the Port Clarence area.
- **Billingham Forum:** we were involved in delivering artistic commissions to help the Billingham Forum celebrate its 50<sup>th</sup> anniversary.
- **Creative Fuse:** we started work on our partnership research project with the 5 North East universities to look at how arts charities could adapt the model of the alumni associations to remain in contact with past constituents.

#### **Tees Valley Arts' Partners and Freelance Artists**

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

During the year Board member and former Chair Richard Anderson stepped down, and Cllr Craig Hannaway (Redcar and Cleveland) and Professor Natasha Vall joined. Michael Lavery was appointed as Chair of Trustees.

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

## **TEES VALLEY ARTS**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018**

#### **Review of the year: (continued)**

##### **Governance**

Tees Valley Arts' 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) stepped down as Chair of Trustees on 14<sup>th</sup> June 2017 and as a trustee on 7<sup>th</sup> March 2018, he was succeeded by Michael Lavery as Chair of Trustees.

Other Directors in 2017/18 were: Jim Ainslie; Tony Campbell; Ged Flanagan; Craig Hannaway (appointed 14.12.17); Michael Lavery; Mike McNulty; Doff Pollard; Natasha Vall (joined 08.06.16); and Margaret Walters.

The Board has continued to be conscious of the greater importance being placed on charity governance and throughout the year the governance sub-committee led by vice-chair Mike McNulty has continued its work in reviewing the organisations practice in line with the guidance provided by the draft "Good Governance Code".

##### **Fundraising**

Tees Valley Arts 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.

Tees Valley Arts has continued to address the issue of recruiting philanthropic fundraising from individuals and businesses and is very grateful for a grant from the Arts Council Catalyst Evolve fund which is helping 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 31<sup>st</sup> March 2018 the level of free reserves was £3201.

This policy will be regularly reviewed by the Directors 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 Directors will continue to review this policy.



## TEES VALLEY ARTS

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018

#### Responsibilities of the Directors

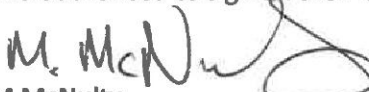
The Directors (who are also charity trustees of Tees Valley Arts as defined by section 177 of the Charities Act 2011) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted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

Vice 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 31<sup>st</sup> March 2018 which are set out on pages 10 to 20.

### **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 FCCA  
Baldwins (Guisborough) Limited  
Accountants

**TEES VALLEY ARTS**  
**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR**  
**ENDED 31<sup>ST</sup> MARCH 2018**

		Unrestricted Funds	Restricted Funds	Total Funds 2018	Total Funds 2017
	NOTE	£	£	£	£
<b>INCOME</b>					
Donations and grants for core funding	2	30000	-	30000	30000
<b>Income from charitable activities</b>					
Grants and contracts for promotion of arts activities in the area	3	18081	64013	82094	175446
Investment income - bank interest		9	-	9	24
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Incoming Resources</b>		<b>48090</b>	<b>64013</b>	<b>112103</b>	<b>205470</b>
		<hr/>	<hr/>	<hr/>	<hr/>
<b>EXPENDITURE</b>					
<b>Expenditure on charitable activities</b>					
Costs of arts promotion etc	4	125773	56326	182099	190652
Governance costs	4	6433	-	6433	8399
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total expenditure</b>	<b>4</b>	<b>132206</b>	<b>56326</b>	<b>188532</b>	<b>199051</b>
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Net income/(expenditure)</b>		<b>(84116)</b>	<b>7687</b>	<b>(76429)</b>	<b>6419</b>
Transfers between funds		43753	(43753)	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Net movement in funds for the year</b>		<b>(40363)</b>	<b>(36066)</b>	<b>(76429)</b>	<b>6419</b>
Total funds brought forward		43564	50579	94143	87724
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total funds carried forward</b>	<b>11</b>	<b>3201</b>	<b>14513</b>	<b>17714</b>	<b>94143</b>
		<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 12 to 20 form part of these accounts.

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

**BALANCE SHEET**

**AS AT 31<sup>ST</sup> MARCH 2018**

	NOTE	2018	2017
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	7	-	-
<b>CURRENT ASSETS</b>			
Debtors	8	3501	3501
Cash at bank and in hand		18788	96552
		<hr/>	<hr/>
		22289	100053
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	9	(4575)	(5910)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS/NET ASSETS</b>		17714	94143
		<hr/>	<hr/>
<b>FUNDS</b>			
Unrestricted	11	3201	43565
Restricted	11	14513	50578
		<hr/>	<hr/>
		17714	94143
		<hr/>	<hr/>

For the year ending 31<sup>st</sup> March 2018 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.

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

M McNulty.......... DIRECTOR AND TRUSTEE

Approved by the Board:  
and signed on its behalf by the above.

The notes on pages 12 to 20 form part of these accounts.

**TEES VALLEY ARTS**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018**

**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 31<sup>ST</sup> MARCH 2018**

**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 31<sup>ST</sup> MARCH 2018**

**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.
-----------------------	-----------------------

**(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 31<sup>ST</sup> MARCH 2018**

**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 31<sup>ST</sup> MARCH 2018**

**2. DONATIONS AND GRANTS FOR CORE FUNDING**

	<b>Total 2018 £</b>	<b>Total 2017 £</b>
<b>Unrestricted</b>		
Esmee Fairbairn Charitable Trust	30000	30000
	<hr/>	<hr/>

**3. INCOME FROM CHARITABLE ACTIVITIES**

	<b>Unrestricted £</b>	<b>Restricted £</b>	<b>2018 £</b>	<b>2017 £</b>
<b>Received in the year</b>				
Ministry of Justice	-	17500	17500	39142
River Tees Rediscovered	-	-	-	27010
Arts Council England	-	17659	17659	24000
Thorntree Roses Bloom	-	-	-	17408
Teesside University	-	2234	2234	15779
Stockton Borough Council	-	2833	2833	5667
Youth Music Foundation	-	-	-	2984
Redcar and Cleveland Borough Council	-	-	-	1900
Middlesbrough Institute for Modern Art	-	-	-	1500
Forward Assist	-	-	-	1000
Police & Crime Commissioner Cleveland	-	-	-	-
Middlesbrough Council – Let's Make a Noise	-	500	500	-
Peoples Health Trust	-	23287	23287	-
Other grants, fees and commissions	18090	-	18090	39056
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>18090</b>	<b>64013</b>	<b>82103</b>	<b>175446</b>
	<hr/>	<hr/>	<hr/>	<hr/>

Of total income of £112103 in 2018 (2017: £205470), £64013 (2017: £136390) was credited to restricted funds and £48090 (2017: £69080) was credited to unrestricted funds.

**TEES VALLEY ARTS**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018**

**4. TOTAL RESOURCES EXPENDED**

	<b>Basis of Allocation</b>	<b>Charitable Activities</b>	<b>Governance Costs</b>	<b>Total 2018</b>	<b>Total 2017</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Costs directly allocated to activities</b>					
Staff costs	Direct	26833	-	26833	25681
Project costs	Direct	58600	-	58600	69803
Independent Examiner	Direct	-	1270	1270	1000
Other accountancy costs	Direct	-	75	75	2390
<b>Support costs allocated to activities</b>					
Staff costs	Usage	55101	2900	58001	55514
General office costs	Usage	20365	1072	21437	21253
Premises costs	Usage	21200	1116	22316	23410
		<hr/>	<hr/>	<hr/>	<hr/>
		182099	6433	188532	199051
		<hr/>	<hr/>	<hr/>	<hr/>

Of the £188532 of expenditure in 2018 (2017: £199051) £56326 was charged to restricted funds (2017: £65659) and £132206 was charged to unrestricted funds (2017: £133392).

Total resources expended include:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Independent Examiner's fee	1270	1000
	<hr/>	<hr/>

**5. DIRECTORS' REMUNERATION**

The Directors neither received nor waived any emoluments during the year relating to their role as Directors. (2017: £NIL). No out of pocket expenses were reimbursed to any of the Directors.

**TEES VALLEY ARTS**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018**

6. STAFF COSTS	2018 £	2017 £
Wages and salaries	76839	71714
Social security costs	4020	2885
Pension costs	2905	666
Freelance staff	-	5930
Other staff costs	1070	-
	<u>84834</u>	<u>81195</u>

No employee earned more than £60000 in the year (2017: NIL)

The average number of employees was:

	2018	2017
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 £
<b>COST</b>	
At 1 <sup>st</sup> April 2017	
And at 31 <sup>st</sup> March 2018	74036
	<u>          </u>
<b>DEPRECIATION</b>	
At 1 <sup>st</sup> April 2017	
And at 31 <sup>st</sup> March 2018	74036
	<u>          </u>
<b>NET BOOK VALUE</b>	
At 31 <sup>st</sup> March 2018	-
	<u>          </u>
At 31 <sup>st</sup> March 2017	-
	<u>          </u>

There were no commitments to capital expenditure at 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2017.

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<b>8. DEBTORS</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade debtors	-	-
Prepayments and accrued income	3501	3501
	<hr/>	<hr/>
	3501	3501
	<hr/>	<hr/>

All debtors are due within one year.

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Creditors & accruals	2803	4157
Social security and other taxes	1772	1753
	<hr/>	<hr/>
	4575	5910
	<hr/>	<hr/>

**10. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds £</b>
Tangible fixed assets	-	-	-
Net current assets	3201	14513	17714
	<hr/>	<hr/>	<hr/>
Net assets at 31 <sup>st</sup> March 2018	3201	14513	17714
	<hr/>	<hr/>	<hr/>

**TEES VALLEY ARTS**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018**

**11. STATEMENT OF FUNDS**

	<b>Balance at 31<sup>st</sup> March 2017 £</b>	<b>Incoming Resources £</b>	<b>Resources Expended £</b>	<b>Transfers £</b>	<b>Balance at 31<sup>st</sup> March 2018 £</b>
Unrestricted funds					
General Funds	43565	48090	(132206)	43753	3201
Restricted funds	50578	64013	(56326)	(43753)	14513
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	94143	112103	(188532)	-	17714
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**Purposes of Funds**

**Restricted Funds**

Though many projects were undertaken in the year, the following were on going at 31<sup>st</sup> March 2018 and these represent the balance carried forward.

**Arts Council England** **Balance at 31st March 2018    £3103**

**Thorntree Roses Bloom** **Balance at 31<sup>st</sup> March 2018    £11410**

Thorntree Roses is a two year project funded and managed from a £32k grant by the People's Health Trust, through their Health Improve '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.

