

CLEVELAND ARTS
(A company limited by guarantee)
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2003

Charity Number : 515369

Company Number : 1656560



CLEVELAND ARTS

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CLEVELAND ARTS

LEGAL AND ADMINISTRATIVE INFORMATION

Status

Cleveland Arts is a company limited by guarantee and a registered charity governed by its memorandum and articles of association.

Directors and Trustees

Under the Articles of Association the Board of Management who are the trustees of the charity will consist of not less than 14 and up to 18 Directors constituted as follows:-

- Four Directors nominated by Arts Council England, North East. These are shown below by (*).
(Term of Office: One year, renewable).
- Ten Directors chosen by the Board of Management to reflect the arts interests in the community including education, the media, industry and commerce, the major arts organisations and local authorities in the area. These are shown below by (**).
(Term of Office: One year, renewable).
- Three Directors elected by all Members of the company who are present at the Annual General Meeting. These are shown below by (***).
(Term of Office: One year, renewable).
- One Director co-opted by the Board of Management. There is no such director in place at the moment. (Term of Office: One year, renewable).

The trustees who served during the year were:-

Mr A Campbell	(*) Appointed 10.06.02	Cllr W Kerr	(**) (Chair & Co. Secretary)
Mr N Etherington	(*)	Mr A Price	(**)
Dr R O'Rourke	(*) Appointed 10.06.02	Mr G Ramsey	(**) Resigned 10.06.02
Mrs V L Oates	(*)	Cllr R Rudland	(**)
Prof. R Boyne	(**)	Mr P Burns	(***)(Vice Chair & Treasurer)
Cllr S Close	(**) Resigned 10.06.02	Ms D Seddon	(***)
Cllr R Cook	(**)	Cllr S Allison	(**) Appointed 02.09.02
Mr G Hodgeon	(**) Resigned 02.12.02	Mr G Bates	(**) Appointed 10.06.02
Mr J Pendleton	(**) Appointed 10.06.02	Mr A Roughton	(**) Appointed 10.06.02

Acting Senior Programme Manager

Lesley Featherstone

REGISTERED OFFICE

3rd Floor
Melrose House
Melrose Street
Middlesbrough
TS1 2HZ

AUDITORS

S V Bye
New Garth House
Upper Garth Gardens
Guisborough
TS14 6HA

BANKERS

HSBC plc
60 Albert Road
Middlesbrough

CLEVELAND ARTS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2003

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31st March 2003.

This report has been prepared in accordance with the special provisions of Part VII of The Companies Act 1985 relating to small companies.

OBJECTS OF THE CHARITY

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."

Cleveland Arts continues to work to develop the arts in the Boroughs of Hartlepool, Middlesbrough, Redcar and Cleveland and Stockton on Tees. It aims to develop art projects with a wide range of people, to develop audiences for a range of arts events, to support locally-based artists and to liaise with other arts providers.

Cleveland Arts works in partnership with local authorities, building developers, architects, social services, the education sector, business, artists and local people to develop arts projects.

ORGANISATION

A board of trustees of between 14 and 18 members, who meet quarterly, administers the charity.

A Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity.

RESPONSIBILITIES OF THE TRUSTEES

Company law requires the trustees, who are directors of the company for the purpose of company law, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue on that basis.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CLEVELAND ARTS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2003

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 £25000.

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.

RISK REVIEW

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.

RELATED PARTIES

The charity has a very close relationship with Arts Council England, North East, which is itself a charity. It can nominate trustees and provides funding to enable the charity to carry out its charitable objects. A summary of transactions with this party is shown in note 12 to the Financial Statements.

REVIEW OF THE ACTIVITIES AND FUTURE DEVELOPMENTS OF THE CHARITY

Cleveland Arts has undergone a significant change of emphasis during the last year, brought about by the need to respond to political, economic and social developments in the Tees Valley.

The process of restructuring the organisation has been complemented by the Arts Council England, North East's review of Cleveland Arts, which aimed to produce an options analysis of possible ways forward for the organisation.

Roger Lancaster Associates were employed by the Arts Council to conduct the review, in collaboration with the Board of Directors, the staff team and relevant partners in the Tees Valley, which was published in December 2002. The report recommended that Cleveland Arts redefine itself "in the context of the Tees Valley Cultural Strategy", and suggested that a focus as a cultural education agency could have considerable support in the region. The review also highlighted the need for a sustainable funding base and the consultant felt that this would only be achieved by a more redefined operation. The new organisation will have a smaller staff team of three, encompassing programmes in cultural education and lifelong learning, and supported by an administrator.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2003

Of the original core staff team of eight, two had already left to take up new positions and three redundancies [including the Director] were necessitated. The Programme Managers for Education and Social Inclusion continue in post and Lesley Featherstone, [Social Inclusion] has been promoted to the position of Acting Senior Programme Manager.

The Arts Council has confirmed its continuing support for Cleveland Arts and has been working closely with the Board and Staff to achieve a sustainable structure that is relevant to the cultural needs of the Tees Valley as it develops its sub-regional profile.

Post-review discussions have resulted in Cleveland Arts' intention to re-structure and re-brand the organisation as a cultural education agency operating in the Tees Valley sub-region, embracing both formal education and lifelong learning and encompassing all art forms. The organisation will rename itself as **tees valley arts** and our vision statement will be:

to lead cultural education across the region through developing partnerships to deliver innovative, creative programmes.

Significant elements of work for the organisation over the next few months will be, the development of a strategic plan that links with the sub-regional cultural strategy, the promotion of the new identity and the development of creative and strategic partnerships throughout the Tees Valley.

Against this backdrop of re-organisation, Cleveland Arts' programmes of activity have continued.

Education Programme

The Arts Education Agency has over the year contributed a great deal of creative added value to work in schools and in after school and play scheme activities. The Agency works across primary and secondary education, using a classic arts development process of working *with* schools, building on their ideas, but aiming to expand their aspirations, raising expectations and quality. Projects have been developed that both relate to the national curriculum and operate independently of it.

Much of the recent emphasis has been on exploring how people learn and in experimenting in new ways of learning. The AIRIS [Artists in Residence in Science] project has placed artists in science departments of secondary schools, the artists working alongside the teachers and students to introduce different ways of learning. A poet looked at new ways of presenting, learning and recollecting text based science. This led to children writing their own science texts, using poetry as a format, and leading to performance and a publication. A dramatist focused on the development of new learning skills through role-play, improvisation and, play scripts. This emphasis on process, encourages the creative learning of students, artists and teachers. The dramatist Bidi Iredale is currently commissioned to write a teachers pack outlining good practice in using the arts to enhance and deepen teaching and learning in science.

The Agency, with support from the Programme Manager: Literature, has also worked with Creative Partnerships [CP] Tees Valley to support Hartlepool through the first stage of their CP Projects, delivered Muse the interim programme, June/July 2002, which worked with all twenty CP Schools, running a series of nine courses and three tours. We delivered "Medicine Show" the launch event for Middlesbrough CP, with the Education Programme Area, working directly with Easterside and Tollesby Schools, and have played a lead role within the CP regional development group.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2003

Social Inclusion Programme

Phase 2 of the arts, disability and social inclusion project *Articulate* got underway this year with the redefinition of the 13 arts projects begun in Phase 1. Six key projects were defined:

- SYMO, a digital video project with a group of physically disabled people that would investigate issues of prejudice and access.
- Get a Life, an arts and consultation project with people with learning disabilities.
- Phoenix Arts, a programme of arts activities with people with mental health problems in Stockton on Tees.
- Online Arts, the development of an arts magazine for and by people with mental health problems.
- Blackspot, a craft initiative that encourages the work of two groups, Ink Spot a graphic design group based at SCOPE on Teesside and Metalworks a group of blacksmiths working at Upsall Hall in Redcar and Cleveland.
- The Articulate Agency and Information Service would develop as a support organisation for arts, disability and social inclusion initiatives, in particular for the support of the other projects as they develop towards sustainability. The *Articulate* website was launched at the beginning of the year and can be accessed at www.articulate.org.

Another key area of work for *Articulate* has been the monitoring and evaluation of the projects, which will contribute to an action research report that will provide evidence of the success of the process of engagement, creative skills learning, and the group and personal development exemplified by this project.

You Are Here, an arts and integration project proposal for work with refugees and asylum seekers, received funding from the Diana, Princess of Wales Memorial Fund, and during the first three months of 2003, the project co-ordinator, Rowena Somerville, set up networks and systems and began meeting asylum seekers and refugees from throughout the Tees Valley. This is a two year project that will produce a variety of artwork made by asylum seekers, refugees and artists, that will be used to develop educational material that will raise awareness and encourage debate about the issues, in Tees Valley Schools and communities.

Seen and Heard, a project working with disaffected young people in Middlesbrough has included digital arts projects with looked after children, children based at the Barnardo's Project SECOS and young people at Community Campus.

During this last year the **Undercover Artists** group [initially a Literature project] from Thornaby have performed their poetry at a Verb Garden Event in Middlesbrough, at the Town Hall, and at a conference for the Basic Skills Agency in Leeds. They have also written their own play, which will be performed in summer 2003, designed and painted the set for the production and have begun to take some responsibility for organising themselves as a group. This project is funded by the Adult Community Learning Foundation and is managed in collaboration with the Basic Skills Agency and the Five Lamps Community organisation.

Both the Seen and Heard and the Undercover Artists projects demonstrate the value of working in partnership with other organisations. The arts activity managed by Cleveland Arts, adds value to the work of these organisations, complementing the work they are already doing, adding a new perspective, a new way of engaging with participants and makes a significant contribution to building the capacity of the participants.

CLEVELAND ARTS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2003

Literature Programme

The Literature Programme has delivered a wide range of activities with young people throughout the year, instigating projects that have had a considerable effect on their personal and creative development. Projects working with groups such as the Middlesbrough Careers Club, have placed artists to work alongside Youth Workers and Tutors, to empower participants to achieve the expression of their situation, the communication of their ideas and the confidence to work towards employment and further education and training.

The 2002/03 Verb Garden has provided a significant platform for literature events in the Tees Valley. Middlesbrough audiences at the event have increased to 80 – 100 strong, and there have been two events in Saltburn. The events have included Tom Leonard, Dana Bryant, Orpheo 5, Liz Lochhead and Don Paterson.

Programme Manager: Literature, Bob Beagrie worked closely with groups of independent publishers across the region to establish the Northern Publishers Consortium, a new organisation constituted with the aims of joint marketing and distribution initiatives, skills sharing and readership development. Successful fundraising led to the launch of the organisation in September 2002 and the development of a website [in progress].

The programme has successfully bid for RALP funding which will see the introduction of six new projects strategically aimed at promoting literature from and about the Tees Valley, to national and international audiences through exchange schemes, collaborative cross art projects, and through the restructuring of the Mudfog Press, editorial, marketing and distribution processes.

Programme Manager: Literature, Bob Beagrie, left Cleveland Arts at the end of January 2003 to take up a post with Creative Partnerships. His contribution to the development of literature in the Tees Valley has been considerable and his work here at Cleveland Arts has been inspiring. Many of his projects have been integrated into the education and social inclusion programmes, and others are being managed by a freelance Literature Development Worker, Rowena Sommerville. The post is jointly steered by Cleveland Arts and New Writing North. We maintain a keen interest in the further development of literature in the Tees Valley through involvement in a Tees Valley wide literature development initiative.

Commissions Programme

Due to Lorna Fulton's resignation part way through the year a number of projects were care-taker managed by the Director, whilst decisions were made about the viability of continuing this area of work. In fact the refocusing of the organisation on education and lifelong learning means that public art will no longer be a feature of our programme of activity and existing projects have either been completed or re-directed to other organisations to manage. These include the Healing Arts programme at the James Cook University Hospital in Middlesbrough, the Skippers Lane project in Middlesbrough and the Middlesbrough Town Centre Strategy.

This year has seen the successful installation of two pieces of public art, Seven Red Plaice, a sculpture by David Kemp sited at Regents Walk, in Redcar Town Centre and Long Scar a sound beacon by Reinhild Beuther sited at the Summerhill Country Park in Hartlepool.

CLEVELAND ARTS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2003

Creative Partnerships

During the year, Creative Partnerships Tees Valley, who had been based temporarily with Cleveland Arts, moved into their own premises to enable them to forge a distinct identity of their own.



Approved by the Trustees
and authorised to sign on their behalf

B Kerr
Trustee
1st September 2003

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CLEVELAND ARTS**

We have audited the financial statements of Cleveland Arts for the year ended 31st March 2002 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' Responsibilities on page 3 the trustees who are also the directors of Cleveland Arts for the purposes of company law, are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amount and disclosures in the financial statements. It also includes an assessment of the judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs as at 31st March 2003 and of its incoming resources and application of resources, including its income and expenditure in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

New Garth House
Upper Garth Gardens
Guisborough
TS14 6HA

S V Bye
Chartered Accountants
Registered Auditors
3rd September 2003

CLEVELAND ARTS

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31ST MARCH 2003

	NOTE	Total Funds 2003 £	Total Funds 2002 £
INCOMING RESOURCES			
Donations and grants for core funding	2	80958	79601
Activities to further the charity's objects			
Grants and contracts for promotion of arts activities in the area	3	540925	614159
Investment income - bank interest		875	1064
Total Incoming Resources		622758	694824
 RESOURCES EXPENDED			
Charitable expenditure			
Costs of promotion of arts activities in the area	4	590358	665635
Management and administration	4	20322	20009
Total Resources Expended	4	610680	685644
 Net incoming resources			
- Net (expenditure)/income for the year		12078	9180
Total funds at 1 st April		4587	(4593)
Total funds at 31st March		16665	4587

The notes on pages 12 to 16 form part of these accounts.

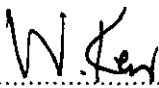
CLEVELAND ARTS
(Limited by Guarantee, not having a share capital)

BALANCE SHEET

AS AT 31ST MARCH 2003

	NOTE		2003		2002
		£	£	£	£
FIXED ASSETS					
Tangible assets	7		10536		15804
CURRENT ASSETS					
Debtors	8	53194		55430	
Cash at bank and in hand		191946		131490	
		<u>245140</u>		<u>186920</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	<u>(239011)</u>		<u>(198137)</u>	
NET CURRENT ASSETS/ LIABILITIES			<u>6129</u>		<u>(11217)</u>
NET ASSETS			<u>16665</u>		<u>4587</u>
FUNDS					
Unrestricted					
Profit and loss account	11		<u>16665</u>		<u>4587</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies, and The Financial Reporting Standard for Smaller Entities (effective June 2002).

B KERR  DIRECTOR AND TRUSTEE

Approved by the Board: 1st September 2003
and signed on its behalf by the above.

The notes on pages 12 to 16 form part of these accounts.

CLEVELAND ARTS

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2003

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 2000) issued in October 2000, the Financial Reporting Standard for Smaller Entities (effective June 2002) and the Companies Act 1985. The principal accounting policies adopted in the preparation of the financial statements are as follows:

INCOMING RESOURCES

Donations and grants

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable, except when donors specify that donations must be used in future accounting periods, when the income is deferred until those periods.

Contracts for the provision of services

Such income, which takes the form of grants and fees for services, is included in incoming resources when receivable except where it has been received in advance of the provision of the service. In these cases the income is deferred until the particular service is provided in full.

Interest receivable

Interest is included when receivable by the charity.

RESOURCES EXPENDED

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

TANGIBLE FIXED ASSETS

Tangible fixed assets are depreciated on a straight-line basis over their estimated useful lives as follows:-

	Annual rate
Office equipment	25%
Theatre equipment	25%

LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1.

CLEVELAND ARTS

NOTES TO THE ACCOUNTS

2.	DONATIONS AND GRANTS FOR CORE FUNDING	Unrestricted						
		<table border="0" style="width: 100%;"> <tr> <td style="text-align: right;">Total</td> <td style="text-align: right;">Total</td> </tr> <tr> <td style="text-align: right;">2003</td> <td style="text-align: right;">2002</td> </tr> <tr> <td style="text-align: right;">£</td> <td style="text-align: right;">£</td> </tr> </table>	Total	Total	2003	2002	£	£
Total	Total							
2003	2002							
£	£							
	Baring Foundation	25000 25000						
	Northern Arts	41907 40550						
	Middlesbrough Borough Council	8000 8000						
	Hartlepool Borough Council	6051 6051						
		80958 79601						
		80958 79601						

3.	INCOMING RESOURCES TO FURTHER THE CHARITY'S OBJECTIVES	Unrestricted				
		<table border="0" style="width: 100%;"> <tr> <td style="text-align: right;">2003</td> <td style="text-align: right;">2002</td> </tr> <tr> <td style="text-align: right;">£</td> <td style="text-align: right;">£</td> </tr> </table>	2003	2002	£	£
2003	2002					
£	£					
	Commissions	147838 245287				
	Social Inclusion	164403 183596				
	Literature and Word Foundation	101063 68109				
	Education	108636 79166				
	Miscellaneous	18985 17922				
	Equipment Grant	- 20079				
		540925 614159				
		540925 614159				

Included above are amounts of £21000 for Word Foundation and £23500 for Articulate (Social Inclusion) which have been donated by the Northern Rock Foundation.

4.	TOTAL RESOURCES EXPENDED				Total	Total
	Staff	Other	Other	Depreciation	2003	2002
	Costs	Direct	Allocated			
		Costs	Costs			
	£	£	£	£	£	£
	Promotion of arts activities	179622	369386	36082	5268	590358
	Management and administration	19958	-	364	-	20322
		199580	369386	36446	5268	610680
		199580	369386	36446	5268	685644

Other allocated costs include	2003	2002
	£	£
Auditors remuneration:		
- Audit fee	1750	2000
- Accounting and other services	562	750
Depreciation of owned assets	5268	5268
	5268	5268
	5268	5268

CLEVELAND ARTS

NOTES TO THE ACCOUNTS

5. TRUSTEES REMUNERATION

The trustees neither received nor waived any emoluments during the year (2002 : £NIL).

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

6. STAFF COSTS	2003	2002
	£	£
Wages and salaries	183193	179764
Social security costs	16387	16080
	<u>199580</u>	<u>195844</u>

No employee earned more than £50000 in the year (2002 : NIL)

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

	2003	2002
Chief Executive	1	1
Arts officers	6	6
Administration and support staff	3	3
	<u>10</u>	<u>10</u>

7. TANGIBLE FIXED ASSETS

	Office Equipment £	Theatre Equipment £	Total £
COST			
At 1 st April 2002	74036	7544	81580
Additions	-	-	-
	<u>74036</u>	<u>7544</u>	<u>81580</u>
At 31 st March 2003	74036	7544	81580
DEPRECIATION			
At 1 st April 2002	63890	1886	65776
Charge for the year	3382	1886	5268
	<u>67272</u>	<u>3772</u>	<u>71044</u>
At 31 st March 2003	67272	3772	71044
NET BOOK VALUE			
At 31 st March 2003	<u>6764</u>	<u>3772</u>	<u>10536</u>
At 31 st March 2002	10146	5658	15804

There were no commitments to capital expenditure at 31st March 2003 and 31st March 2002.

CLEVELAND ARTS

NOTES TO THE ACCOUNTS

8.	DEBTORS	2003	2002
		£	£
	Trade debtors	50779	51759
	VAT	2415	3671
		<u>53194</u>	<u>55430</u>

9. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003	2002
	£	£
Trade creditors	40570	57851
Social security and other taxes	2745	5039
Deferred income (see below - note 10)	195696	135247
	<u>239011</u>	<u>198137</u>

10.	DEFERRED INCOME	2003
		£
	Balance at 1 st April 2002	135247
	Amount released to incoming resources	(135247)
	Amount deferred in the year	195696
	Balance at 31 st March 2003	<u>195696</u>

Deferred income represents grants received which have been specified by the donor for use in future periods and also fees and grants for arts projects received in advance of the provision of the particular service to be provided.

11. STATEMENT OF FUNDS

	Balance at 31 st March 2002	Incoming Resources	Resources Expended	Balance at 31 st March 2003
	£	£	£	£
Unrestricted funds	4587	622758	(610680)	16665
	<u>4587</u>	<u>622758</u>	<u>(610680)</u>	<u>16665</u>

CLEVELAND ARTS

NOTES TO THE ACCOUNTS

12. RELATED PARTIES

The charity has a close relationship with Arts Council England, North East which is itself a charity. It provides funding to enable the charity to carry out its charitable objects.

The following is a summary of transactions with this party.

	2003	2002
	£	£
Grants for core funding		
Arts Council England, North East	41970	40550
	<u>41970</u>	<u>40550</u>

This income has been included in the financial statements under the heading 'Donations and grants for core funding' in Incoming Resources.

Grants and fees paid for services provided	2003	2002
	£	£
Arts Council England, North East	95745	40512
	<u>95745</u>	<u>40512</u>

This income has been included in the financial statements under the heading "Grants and contracts for promotion of arts activities in the area" in Incoming Resources.

At 31st March 2003 the Arts Council England, North East owed Cleveland Arts £15000, which was received on 4th April 2003. (2002: No outstanding balances).