

Cleveland Independent Theatre Company
(Limited by Guarantee)

Report of the Directors and
Financial Statements
for the year ended 31 March 2004

"Registrar of Companies Copy"
Company No. 1458421



CLEVELAND INDEPENDENT THEATRE COMPANY
(Limited by Guarantee)

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CLEVELAND INDEPENDENT THEATRE COMPANY
(Limited by Guarantee)

Directors

M Cunningham
K Hepplewhite
A Langham
S Murray
E Wilkinson
A Wright
D Long (appointed 4.12.03)

Secretary

L Clapham (resigned 12.01.04)
S Aal (appointed 14.01.04)

Company Number

1458421

Charity Number

279690

Registered Office

Arts Centre
Vane Terrace
Darlington
County Durham
DL3 7AX

Bankers

Co-Operative Bank
Business Direct
Olympic House
6 Olympic Court
Montford Street
Salford

Auditors

Anderson Barrowcliff
Waterloo House
Teesdale South
Thornaby Place
Thornaby on Tees
TS17 6SA

CLEVELAND INDEPENDENT THEATRE COMPANY
(Limited by Guarantee)

2003/04 ANNUAL REPORT

1 Legal Status

- Cleveland Independent Theatre Company Limited (also known as CTC, Cleveland Theatre Company and most recently CTC Theatre) was formally constituted in 1979.
- The Company was originally constituted to provide a professional drama resource for the former county of Cleveland. Since April 1994 the Company has been a specialist producer of theatre for children and young people, working primarily in Tees Valley and the North East of England.
- The Company is a Registered Charity (No. 279690) and a Company Limited by Guarantee (Registration No. 1458421).
- Since February 1998, the Company's registered address has been at The Arts Centre, Vane Terrace, Darlington, DL3 7AX.

2 Objectives

CTC Theatre exists to:

- create high quality theatre experiences for children and young people;
- tour professional theatre productions to schools and venues within the Tees Valley, the North East and nationally;
- promote greater awareness of the value of theatre to children and young people by working with teachers and other practitioners through courses, events and publications;
- encourage the development of this field of theatre by organising, in partnership with venues in the North of England, the annual Take Off Festival;
- seek, through membership of the International Association of Theatre for Children and Young People (ASSITEJ), Association of Professional Theatre for Children and Young People (APT) and Action for Children's Arts (ACA) to share experience with professional colleagues worldwide for the benefit of young audiences everywhere.

3 Organisation: Management and Staffing

CTC Theatre's business is supervised by a voluntary Board of Directors/Trustees who meet every three months (or more frequently if required). Directors who served during the year were:

Simon Murray (Chair)	Performing Arts Lecturer at University of Sunderland
Margaret Cunningham	Head Teacher of Harrowgate Infant School, Darlington
Kay Hepplewhite	Performing Arts Lecturer at North Tyneside College
Anne Langham	Drama Teacher at Brierton Comprehensive School in Hartlepool
Dorothy Long	Retired Teacher and Member of Darlington Borough Council
Eileen Wilkinson	Head Teacher of Wheatlands Primary School in Redcar
Annie Wright	Primary Literacy Adviser for Newcastle City Council
Adviser – Chris Bostock	Actor/Storyteller from Newcastle upon Tyne

Staffing

The Company's day to day operations continued to be managed by:

• Artistic Director (Full Time)	Paul Harman	(April 1994)
• General Manager (Full Time)	Liz Clapham	(Dec 1995 to January 2004)
	Stephen Aal	(From January 2004)
• Education Officer (Full Time)	Jennie Sutton	(Sept 2001 to August 2003)
• Project Administrator (Full Time)	Sarah Firth	(From January 2004)
• Tour Co-ordinator (2/3 days)	Michelle Gale	(April 1994 to October 2003)

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2003/04 ANNUAL REPORT

4 Review of Developments and Achievements

Artistic

2003/04 was a year of greatly increased activity – an exhausting period for all the core team. The fallout from this is still being felt at the time of reporting.

Starlight is one of the most successful shows CTC has produced and continued to tour in 2003. It appeared at the Milk festival in Toronto in May 2003.

The creative relationship with Chris Connaughton is deep-rooted and in **Young Hamlet** we found both an approach to making the text of Hamlet accessible to 10 year olds and a presentation style that responded to the inner themes of our take on the play. Paul Harman considers Young Hamlet one of the best devised shows he has made. It has subsequently been invited to national venues and festivals in Germany, Austria and Spain and will remain in repertoire for some years to come.

If I was a Giant has played a significant number of performances but draws a wide range of reactions, some loving it, some finding it hard to grasp. It remains in the repertoire and was toured to the 'Children First' Festival in Singapore.

Echo freddy was the second of a planned series of three opera projects in collaboration with Martyn Harry at Durham University. It was a highly successful production in which the non-professional student performers – excellent musicians and singers, however, were supported by a simple but effective staging. The strong mutual understanding between director and composer, built up over several years, was crucial to success within a very short rehearsal time.

Genesis, an exploration of scientific research and its effect on individual lives was begun as a development project with the aid of funding from the Wellcome Trust. It was further developed into a performance/workshop piece towards the end of Financial Year 2003/04 and taken out on a small tour in May 2004. It uses a number of innovative theatre techniques. It was led by Associate Director, Nina Hajiyanani.

The Sleeping Garden, an art installation and dance piece for pre-school children was developed in collaboration with Darlington Arts Centre and offered to all nurseries and playgroups in the borough. It links closely with our Early Years Practitioner Workshop Programme which continued in the financial year and which we intend to continue into the future.

The Fool of the World is a new storytelling piece for 5 to 7's developed again with Chris Bostock. The tours will take place in 2004/05 and, hopefully, beyond.

Our work at the Bowes Museum as part of their **Theatre @ Bowes** programme was well received. Images from our '**Tea with the Bowes**' appear in their printed advertising material. The programme itself has been extended into 2004/05 and is directed by Nina Hajiyanani.

In addition to the above projects, CTC in collaboration with Customs House, South Shields ran **Takeoff 2003** and put a great deal of creative energy into preparing projects for 2004/05.

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Managerial/Financial

The company has seen extensive changes in personnel during this financial year.

The departure of Liz Clapham loses the company a wealth of experience and personal contact that will be hard to replace.

A new General Manager and a Project Administrator have been recruited. These members of staff had a difficult task in the initial stages since there was little overlap between old and new staff. However it offered an opportunity for a fresh look at almost every aspect of the company's management and administration. The new team has faced all the difficulties of re-establishing the management and administrative framework afresh, whilst trying to keep the show on the road. This has lessened capacity in the short term, but the new team brings much new strength and their own ambitions to the company and the effect of these will unfold over the next few years.

Under the departing General Manager, the company used basic financial systems developed over a number of years. With very little overlap between old and new managers and no possibility of a 'training' period, the new General Manager was compelled to implement new financial systems quickly. We now run on Sage Accounts and Payroll and these have proved themselves within the first few months. We intend reporting quarterly as before, but with a simpler format, identifying production, touring and overhead costs separately so that clearer judgements can be made about the true cost of a project.

The membership of the Board of Management has expanded slowly. An annual day of reflection has been instituted and has been well attended. A new Board member with special responsibility for financial and administrative matters is being sought.

The overall continuing success of CTC, its growth in staff and financial support and the number of projects it undertakes, especially in the year under review, has meant the Board has not had to face any severe challenge or policy decision in recent years. CTC's Board members do not represent outside interests, such as local authorities or sponsors.

Looking Forward

CTC will attempt to match its output of new work and activity to available human and financial resources. We have learned that most project funding does not meet the real costs of the activity undertaken, especially evidenced by the pressure on project management staff. We have responded to this in early 2004 by reshaping our staff structure, using the opportunity of personnel changes to change the balance of activity within the administrative team.

We have strengthened our artistic staff by making permanent a commitment to the post of Associate Artistic Director, held currently by Nina Hajianni. A substantial part of her work is related to project development and management, the building of a new cohort of actors and other artistic collaborators, and direct educational and drama workshop activity in support of productions.

Strategic

We regularly reach people not reached by other arts providers, almost all our work takes place within an educational context and by going to schools we offer whole cohorts of young people an equal opportunity to access our artistic programme. The project in special schools was an attempt to target even more specifically a particular group.

CTC regards the annual Takeoff Festival as of strategic importance to the artistic development of our sector of the arts and its appreciation by schools and public. Local authorities and venues queue up to have the event year after year and consider it a valuable tool in developing their audiences for young people. However, initial discussions with Darlington Borough over Take Off 2004 show how difficult it is for local authorities to match their enthusiasm with funding.

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CTC cannot alone redress the lack of coherent national, regional or local strategies for developing the role of the professional arts within schools. Creative Partnerships programmes have the expressed aim of achieving a higher profile for the arts in schools. However, they touch a very small number of schools, often creating resentment among the majority not so involved. CTC will concentrate on reaching the greatest number of people and schools with sustainable experiences of the professional performing arts.

Direct sales by phone supported by a new print image remains the key tool in finding bookings. The company intends carrying out a Marketing Review in 2004/05. Our approach to marketing will change as a result of the experience gained in the year under review.

We operate in a highly competitive, price sensitive market, in which our direct clients, usually head teachers, are under constant pressure to fit all activity to meeting externally set achievement targets. Only the bravest, or the most fortunate schools can make time for what we offer. The themes CTC wishes to explore relate to the personal needs for children, rather than the educational targets of today's schools. CTC needs to devote more effort to meeting this challenge.

5 Financial Reserves Policy

At the end of the 2003/04 financial year, CTC Theatre has an accumulated accounts surplus of £31,533.

The Company has made a policy commitment to try and retain a reserve of at least £12,000 to aid cash flow and to provide an overall expenditure contingency of approximately 5% current core turnover.

6 Risk Review

The Company has conducted its own review of the major risks to which the charity is exposed and systems have been established to mitigate those risks.

CLEVELAND INDEPENDENT THEATRE COMPANY

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2003/04 ANNUAL REPORT

The Directors have pleasure in presenting their report and the accounts of the Company for the year ended 31 March 2004.

The Company is limited by guarantee, each member agreeing to contribute to the Company the sum of £1 in the event of a winding up.

Its principal activities are the production of plays and performances conducive to the maintenance and advancement of education and the arts.

The Company is a registered charity. The results of its activities for the year are given on page 10 of the accounts.

The directors who held office during the year were:-

M Cunningham	
K Hepplewhite	
A Langham	
S Murray	Chair
E Wilkinson	
A Wright	
D Long (appointed 4.12.03)	

Directors' Responsibilities

Company Law required us as Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit and loss of the Company for that period. In preparing those financial statements we are required to

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

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

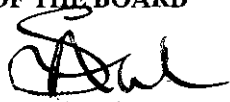
Auditors

The Auditors, Anderson Barrowcliff have expressed their willingness to continue in office for the ensuing year and a resolution proposing their re-appointment as auditors will be put to the forthcoming Annual General Meeting.

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

BY ORDER OF THE BOARD

S Aal
SECRETARY



Date : 21st October 2004

REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF CLEVELAND INDEPENDENT THEATRE COMPANY
(Limited by Guarantee)

We have audited the financial statements of Cleveland Independent Theatre Company for the year ended 31 March 2004 on pages eight to twelve which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the Company's Directors, as a body, in accordance with Section 235 of the Company Act 1985. Our audit work has been undertaken so that we might state to the Company's Directors those matters we are required to state to them in an auditors' 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 Directors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

As described on pages six, the Directors 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 Report of the Directors 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit Opinion

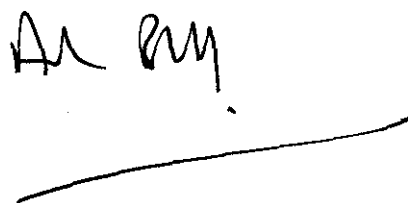
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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 Company's affairs as at 31 March 2004 and of its incoming resources and resources expended, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Anderson Barrowcliff
Registered Auditor
Chartered Accountants
Waterloo House
Teesdale South
Thornaby Place
Thornaby on Tees
TS17 6SA



Dated: 25 November 2004

CLEVELAND INDEPENDENT THEATRE COMPANY
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STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2004

	<u>Notes</u>	Unrestricted Funds £	Restricted Funds £	Total 31 March 2004 £	Total 31 March 2003 £
Incoming Resources					
Income from productions		44,761	-	44,761	83,269
Income from projects		7,182	-	7,182	9,859
Grant aid		163,345	-	163,345	204,993
Take off income		12,061	-	12,061	-
Bank interest received		822	-	822	822
Other income		1,352	-	1,352	791
Total Incoming Resources		<u>£229,523</u>	<u>-</u>	<u>£229,523</u>	<u>£299,734</u>
Resources Expended					
Charitable expenditure					
Cost of activities in furtherance of its charity's objective	2	120,960	-	120,960	224,949
Resources expended on management and administration	3	97,421	-	97,421	89,221
Total Resources Expended		<u>£218,381</u>	<u>-</u>	<u>£218,381</u>	<u>£314,170</u>
Net incoming/(outgoing) resources		11,142	-	11,142	(14,436)
Fund balances brought forward		20,391	-	20,391	34,827
Balances Carried Forward		<u>£31,533</u>	<u>-</u>	<u>£31,533</u>	<u>£20,391</u>

The notes on pages 10 to 12 form part of these financial statements

CLEVELAND INDEPENDENT THEATRE COMPANY
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BALANCE SHEET AS AT 31 MARCH 2004

		<u>2004</u>		<u>2003</u>	
	<u>Notes</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Fixed Assets					
Tangible assets	5		4,183		5,315
Current Assets					
Debtors	6	7,180		15,387	
Cash at bank & in hand		46,643		14,280	
		53,823		29,667	
Creditors: Amounts falling due within one year	7	26,473		14,591	
Net Current Assets			27,350		15,076
Total Assets Less Current Liabilities			<u>£31,533</u>		<u>£20,391</u>
Income Funds					
Unrestricted Funds					20,391
Designated Funds	8	600			
General Funds		30,933			£20,391
			<u>£31,533</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 with the Financial Reporting Standard for Smaller Entities (effective June 2002).

On behalf of the Board

M CUNNINGHAM
DIRECTOR

Maya Ann Cunningham

Approved by the Board on 21st October 2004

The notes on pages 10 to 12 form part of these financial statements.

CLEVELAND INDEPENDENT THEATRE COMPANY
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

1 Accounting Policies

Accounting Convention

The financial statements have been prepared under the Historical Cost Convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) and are in accordance with applicable accounting standards and the Charities Accounting Statement of Recommended Practice (SORP).

Depreciation

Depreciation is provided on fixed assets at the following rates which are expected to write off the assets over their useful lives:-

Fixtures & fittings 25% reducing balance 50% straight line

Incoming Resources

Grants and other income are accounted for when receivable, and apportioned over the period to which they relate.

Resources Expended

All expenditure is accounted for on an accruals basis and apportioned over the period to which it relates and is net of recoverable VAT. There is no netting off of expenditure within the accounts.

Direct Charitable Expenditure

Direct Charitable Expenditure includes the direct costs of the activities and depreciation on related assets.

Fund Accounting

General funds are unrestricted funds which 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.

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.

Investment income and gains are allocated to the appropriate fund.

2 Costs of Activities in Furtherance of the Charity's Objectives

	<u>2004</u>	<u>2003</u>
	£	£
Fees	103,951	170,648
Production costs	7,250	10,832
Marketing	2,160	25,960
Touring & travel	7,599	17,509
	<u>£120,960</u>	<u>£224,949</u>

3 Managerial & Administration Expenses

	<u>2004</u>	<u>2003</u>
	£	£
Salaries & NIC	72,786	71,965
Audit fees	2,075	1,300
Office costs	21,175	14,185
Depreciation -- owned assets	1,385	1,771
	<u>£97,421</u>	<u>£89,221</u>

CLEVELAND INDEPENDENT THEATRE COMPANY
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

4 Taxation

No provision has been made for corporation tax as the company is a registered charity and, subject to agreement with H.M. Inspector of Taxes, is exempt from corporation tax to the extent that its revenue has been utilised for charitable purposes. The Directors consider that the company's income has been utilised in this manner.

5 Tangible Fixed Assets

	<u>Fixtures, Fittings & Equipment</u> £
Cost:	
At 1 April 2003	23,038
Additions	253
At 31 March 2004	£23,291
Depreciation:	
At 1 April 2003	17,723
Charge for the year	1,385
At 31 March 2004	£19,108
Net Book Value – at 31 March 2004	£4,183
At 31 March 2003	£5,315

6 Debtors: Amounts Falling Due Within One Year

	<u>2004</u> £	<u>2003</u> £
Trade debtors	6,868	14,365
Other debtors	15	14
Prepayments	297	1,008
	£7,180	£15,387

7 Creditors: Amounts Falling Due Within One Year

	<u>2004</u> £	<u>2003</u> £
Trade creditors	705	-
Social security & other taxes	3,174	-
VAT	2,606	1,361
Accrued expenses	7,359	11,730
Grants & fees received in advance	12,629	1,500
	£26,473	£14,591

CLEVELAND INDEPENDENT THEATRE COMPANY
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

8 Designated Funds

This has been designated by the trustees to provide a fund which could be used in the event of the charity employing a member of staff who needed some special facilities due to their disability.

9 Employee Emoluments

	<u>2004</u>	<u>2003</u>
	£	£
Salaries	117,716	131,552
National Insurance	8,031	7,679
	<u>£125,747</u>	<u>£139,231</u>
Average number of employees		
Administration	3	3
Artistic director	<u>1</u>	<u>1</u>

In addition, total emoluments includes payments to performers who are involved for the short period of the production.

No director received any remuneration or expenses.

No member of staff was paid in excess of £50,000.

10 Controlling Party

The company is under the control of the directors.