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CLEVELAND INDEPENDENT THEATRE COMPANY LIMITED

Report and Financial Statements

for the year ended 31 March 2011

Registered Charity Number 279690

Registered Company Number 01458421

Cleveland Independent Theatre Company Limited
Report and Financial Statements
Contents

	Page
Trustees' Report	1 - 12
Independent Auditors' Report	13 - 14
Statement of Financial Activities	15
Income and Expenditure Account	16
Movements in Accumulated Funds	17
Balance Sheet	18
Notes to the Accounts	19 - 28

Cleveland Independent Theatre Company Limited

The Report of the Trustees for the year ended 31 March 2011

Introduction

The Board of Trustees are satisfied with the performance of the charity during the year and the position at 31 March 2011 and consider that the charity is in a strong position to continue its activities during the coming year, and that the charity's assets are adequate to fulfil its obligations. 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. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Name, registered office and constitution of the charity

The full name of the charity is Cleveland Independent Theatre Company Limited. It has adopted the operating name of Theatre Hullabaloo.

The legal registration details are -

<i>Date of incorporation</i>	1 November 1979
<i>Company Registration Number</i>	01458421
<i>The Registered Office is</i>	Darlington Arts Centre, Vane Terrace, Darlington, County Durham, DL3 7AX
<i>Charity Registration Number</i>	279690
<i>The telephone number is</i>	01325 352004

Objectives and activities of the charity

A summary of the objects of the charity as set out in its governing document

The objects for which the company is registered are to promote, maintain, improve and advance education particularly by the production of educational plays and the encouragement of the Arts including the arts of drama, ballet, music, singing, literature, sculpture and painting.

The charity's aims including the changes or differences it seeks to make through its activities

Theatre Hullabaloo is a pioneering theatre company creating quality work for young audiences. We believe that children deserve work of the highest quality and greatest artistic challenge. It is this challenge that drives us to form collaborations with those working at the forefront of their art form, developing ideas with young people, to create excellent and inventive theatre.

Theatre Hullabaloo works to promote the rights of all children to full participation in cultural and artistic life. We believe that young people need theatre to help them understand an increasingly complicated world. Our work reaches out to young people with the message that their experience and preoccupations are at the heart of the work we make.

Cleveland Independent Theatre Company Limited

The Report of the Trustees for the year ended 31 March 2011

Explanation of the charity's main objectives for the year and strategies for achieving its stated objectives, and details of significant activities (including its main programmes, projects, or services provided) that contribute to the achievement of the stated objectives

An explanation of the charity's main objectives for the year

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. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Our main objectives for the year were to deliver the following projects:

The Night Pirates, an adaptation with puppetry and dance of the much-loved picture book for children aged 3-5 years, in partnership with the egg, Theatre Royal Bath and Seven Stories, Centre for the Children's Book. The Night Pirates toured nationally in the autumn 2010 with an education programme and extension activities for schools aimed at sharing stories.

Takeoff 2010, Festival of Theatre for Children and Young People celebrating the best work for our youngest audiences in a three day conference for educators, artists, children and their families, hosted at Darlington Arts Centre.

Five, Theatre Hullabaloo's hugely successful early years dance installation returned to Darlington Arts Centre for a three week run for schools and nurseries in the town.

To develop the company's business plan and submit a clear proposal to our main funder in order to secure national portfolio status with Arts Council England for the period 2012/13 – 2015/16.

Strategically, objectives were to

- Invest in new work with strong partnerships to support Theatre Hullabaloo's reputation regionally and within the field of early years theatre
- Build on gains made in previous years around the company's national touring profile
- Diversify funding streams and secure new funding partnerships
- Recruit new board members to reflect greater diversity and ensure best practice in all areas of governance
- Develop our communications strategy and online presence
- Invest in enriching our work through artist development programmes and education and outreach activities
- Continue to review, develop and document best practice in all areas of the organisation

Cleveland Independent Theatre Company Limited

The Report of the Trustees for the year ended 31 March 2011

Theatre Hullabaloo is a learning organisation and the developments within company structure, funding portfolio and artistic work seek to promote our core aims

- Creating a **diverse** programme of high quality theatre for young audiences
- Promoting experimentation and **innovation** in the development of form
- Investing in the development of artists and the sector and championing **equality** of opportunity
- Encouraging **collaboration** and forging meaningful relationships with our partners
- Achieving high **quality** across all areas of production and practice

Strategically, the company sought to build upon its reputation as a leading touring company creating theatre for young audiences in order to secure ongoing funding as part of the Arts Council's national portfolio

The 2010/11 programme was characterised by ambitious partnerships, a strong regional presence and high profile theatre for early years audiences. Developmental outreach activity and an increased online offer were some of the new areas of practice seeded to complement the main programme

We strive to deliver our mission by the following activities

Commissioning, developing and touring a diverse programme of theatre for young audiences to schools and venues in the North East and to theatre venues and festivals nationally,

Working creatively with artists and investing in new ideas and partnerships,

Partnership working with public agencies, local authorities, education providers, arts funders and other organisations to develop projects which have greater value and benefit to our young people,

Positive advocacy and commitment to best practice for theatre for young people, both through our artistic work and our business practice

The charity's grant making policies

This is not applicable to the activities of the charity as no grants are made by it

Summary of main activities of the charity in the year in relation to its objects

Theatre Hullabaloo's 2010/11 programme of activity served our youngest audiences and their families, both locally and nationally. In the autumn we created a new production of a much-loved picture book for 3-5 year olds, *The Night Pirates*. The production featured alongside a broad programme of shows, workshops, scratch opportunities and speakers in a sell-out Small Size focussed Takeoff Festival. In the spring 2011, we offered a residency of our early years dance installation, *Five*, to more than 1,000 children from nurseries and schools in Darlington.

The pattern of work – developing a new piece for national touring which is presented alongside a piece of established repertoire and in the context of our leading sector-development festival – is now established and this year saw the company consolidate and build on its reputation. The opportunity to feature work for the 3-5s age range exclusively and to reflect that priority in the festival programme, allowed us to engage in some excellent audience development, particularly with local schools and nurseries many of who attended both productions at Darlington Arts Centre and also took part in creative play opportunities and teacher CPD facilitated by the company.

Cleveland Independent Theatre Company Limited

The Report of the Trustees for the year ended 31 March 2011

The Night Pirates was Theatre Hullabaloo's first adaptation of a known title and was deliberately chosen as a way of developing new family audiences for the company's work. Funded by Grants for the Arts, the project had important regional partnerships with Seven Stories and Juice Festival plus a national partnership with the egg, Bath. The story of a little boy who is awoken in the middle of the night by a gang of girl pirates who take him on a midnight adventure to steal some treasure, is much-loved by children and, in development, was found to be a firm favourite of Darlington's nursery children.

The creative team was led by Director Sarah Argent, internationally recognised for her work for early years, with Choreographer Kitty Winter and Composer Wayne Walker-Allen, who had previously created *Five for Theatre Hullabaloo* as part of our young Directors' programme. Designer Bek Palmer brought the book to life with an elaborate interpretation which was very true to the beautiful illustrations from the book and delighted the children with a 3 year old-sized puppet hero. The integration of puppetry, storytelling, contemporary and ballet dance and physical theatre made for an unusually rich piece of work for this age range described by one parent as -

"An entrancing and dreamlike production – beautiful!"

The Night Pirates toured nationally in the autumn of 2010 to great acclaim and sell-out venues. The extraordinary response from families via Theatre Hullabaloo's website, Facebook and Twitter channels demonstrated that the show was considered very special both by regular theatre goers and families who do not usually come to the theatre, but did because their children love the book. The additional activities that accompanied the show – learning resources, activity sheets, competitions, online activities, creative play workshops and an exhibition of original illustrations from the book with design workshops with the Illustrator – greatly enhanced the experience of many children. Venues also found the theme of pirates allowed them a greater level of creativity in their presentation of the work and marketing materials. The 2010 tour proved so successful that the show has been revived in summer 2011 for a further national tour to include a two week residency at The Unicorn Theatre.

Takeoff Festival 2010 was again hosted at Darlington Arts Centre in the shadow of the announcement of the removal of arts subsidy by the Council. Despite the news, Takeoff was considered the most successful in its history with a record number of delegates and an excellent programme of work, again with a focus on early years with ongoing support from the European Small Size network. Building on the developments of last year, Takeoff worked with its second guest programmer, Steve Ball of Birmingham Repertory Theatre, and presented a broad range of shows including contributions from Italy, Scotland and Holland.

In response to feedback from delegates, we developed opportunities for debate through the introduction of 'In Conversation with ' which welcomed Lyn Gardner from The Guardian to discuss the issues of the media profile of theatre for young audiences as well as representatives from commercial theatre and those at the forefront of developing digital content for children and young people. The opportunity to present scratch work, mentored by experienced professionals, has now become a mainstay of the Takeoff programme and we received many applications from emerging artists wishing to present in 'The Departure Lounge'. This year's selection was less successful than the previous year with several artists viewing it as a way to pitch finished work to venue bookers rather than as part of a developmental process. This is clearly a valuable and valued process for those wishing to create work for children and young people for the first time, so additional mentoring support to help artists prepare their pitches should make this more robust in the future.

Cleveland Independent Theatre Company Limited

The Report of the Trustees for the year ended 31 March 2011

The mixed programme of shows, scratch, presentations, digital interaction, speakers and networking is clearly a potent and important event for those working in the field of theatre for young audiences. Attracting more international bookers to **Takeoff 2010** – many of whom were surprised at the quality of the English work presented – indicated the potential to develop the festival further to serve the sector and present opportunities to children and families regionally. As one delegate put it -

"Takeoff has now proved itself as the place for those working in theatre for young audiences in England to come together to share, debate and learn. Its challenge now is to bring the best of English work to the rest of the world"

Five, Theatre Hullabaloo's contemporary dance installation for 3–5 year olds, completed our programme of activity for early years when it took up residence at Darlington Arts Centre in the spring 2011. Demand outstripped supply as more than 1,000 foundation stage children from local schools and nurseries visited the Arts Centre to take part in the project which has toured nationally and internationally since its original creation in 2007. The project was accompanied by well attended teacher CPD sessions and a learning resource. The show underwent some adaptation to make sure it was suitable for the younger age range (it was originally created for five year olds only). **Five** also went on to a residency at The Royal and Derngate Theatre which included CPD opportunities for local artists and was featured at this year's Spark Festival.

Many of the Darlington children who attended **Five** had seen **The Night Pirates** earlier in the year and also attended performances at the **Takeoff Festival**, so **Five** gave us the opportunity to build on those experiences and the relationships with staff and parents, squaring the difficult circle of maintaining a contribution to your immediate community whilst also developing a national profile. In evaluations with staff, the company was particularly complemented on the appropriateness of the show for the age of the children and also the organisation of the project which integrated the travel and ticket making the visit achievable for smaller groups and those from less affluent areas.

Alongside the company's artistic programme, Theatre Hullabaloo has also engaged with developments in its educational work with creative play workshops commissioned to augment performances of **The Night Pirates** and teacher and artist CPD to support **Five**. The company invests in the creation of learning resources developed with consultant teachers to support our work and also in online activities tailored for each show. The engagement with young people in the making of our work and of the resources that accompany it is a developmental objective for the company.

In the year 2010/11, Theatre Hullabaloo made significant improvements to the skills, diversity and structure of its Board of Trustees. This included the recruitment of new members with expertise in business management, personnel, arts development and the law. The Board also introduced structural changes including the rotation of the Chair on a three yearly basis, maximum terms to serve and the introduction of sub-groups to look at areas of policy, finance and general purposes and income generation. Supported by an external consultant, comprehensive business planning, by the Board and all core staff, have informed the organisation's portfolio application and development plans for the next four years.

Cleveland Independent Theatre Company Limited

The Report of the Trustees for the year ended 31 March 2011

Although heavily subsidised by Arts Council England and other funding, the company does need to make a charge for its activities to schools and venues. Schools and arts venues pay a very small proportion of the actual cost of a performance and, in the case of schools, this money generally comes from an allocated enrichment budget and venues rarely have significant budgets to programme innovative work for young audiences.

It is the view of the trustees that performances in schools, theatres and other places where children are is the best way to deliver the benefit of our activity to young people and ensure it is situated within a wider educational remit. Takeoff delegate places are again heavily subsidised and we have a commitment to supporting artists in genuine hardship to attend and offer their skills in exchange for attendance at the festival.

Achievements and performance of the charity

A review of charitable activities undertaken by the charity

In 2010/11 Theatre Hullabaloo gave 152 performances in theatres, arts venues and schools which were attended by more than 11,000 children and their grown ups.

The Takeoff Festival welcomed 906 delegates, nursery educators, parents and young people who took part in a programme of performances and workshops during the two day conference.

The company also ran educational workshops and extension activities to enhance young people's experiences of our work. More than 450 young people took part in these activities.

Fundraising activities

The charity relies on grant aid from the donors identified in the accounts, whose support is valued. There have been no other fundraising activities.

Factors relevant to the achievement of the charity's objectives

We are grateful for the ongoing support of project sponsors such as Darlington Arts Centre (Takeoff 2010), Small Size, Big Citizens EC Funding (Takeoff 2009), Darlington Early Years Partnership (Takeoff 2010), Grants for the Arts (The Night Pirates), Business Link and Arts Council England.

Summary of the main achievements of the charity during the year

Theatre Hullabaloo is proud to be a partner in Small Size, the European network of companies specialising in theatre for early years. The project, which involves 12 partner countries, has European funding to share practice and be a network for the diffusion of ideas around early years theatre and pedagogy until 2014. This funding allows us to build on our offer to enhance opportunities and understanding of the arts in early years pedagogy through the Takeoff Festival and our artist development programmes in nurseries.

Cleveland Independent Theatre Company Limited

The Report of the Trustees for the year ended 31 March 2011

Structure, governance and management

Nature of the governing document and constitution of the charity

The charity is constituted as a company limited by guarantee and is therefore governed by a memorandum and articles of association. The directors of the company are also trustees of the charity.

The methods adopted for the recruitment and appointment of new trustees

Trustees are elected to Cleveland Independent Theatre Company Limited based on discussions and recommendations offered by board members and outside advisors to the organisation. The company also has an open application process for the recruitment of board members the terms of which are accessible via the website. During the year the company extended the resource of the Board by identifying a new board member with legal expertise.

The policies and procedures adopted for the induction and training of trustees

New trustees are inducted by the Chair of the Board and the Creative Producer. This includes a briefing on the aims and objectives of the organisation, a written induction pack stating the roles and responsibilities of trustees, an invitation to view a performance and then to observe a board meeting. The Board operates a 'buddy system' for newly recruited trustees and hold annual away days to address training needs and the company's strategic aims.

The organisational structure of the charity and how decisions are made

The Board meets five times a year to administer the charity. The Board also operates advisory sub-groups in the areas of finance, personnel and policies which meet every three months and feed into themed board meetings. A Creative Producer is appointed by the Board to manage the day to day operations of the charity.

Membership of a wider network

Theatre Hullabaloo is a member of the Independent Theatre Council (ITC), the International Association of Theatre for Children and Young People (TYA), Action for Children's Arts (ACA) and the European Small Size Network.

Relationships between the charity and related parties

The charity has a close relationship with Arts Council England in the North East. The organisation nominates an observer to the board and provides funding to enable the charity to carry out its charitable objectives.

Cleveland Independent Theatre Company Limited

The Report of the Trustees for the year ended 31 March 2011

Relationships with other groups, charities and individuals

Valuable partnerships this year included the relationships with Darlington Arts Centre, Darlington Borough Council, the egg, Theatre Royal Bath, Seven Stories, Centre for the Children's Book, Juice Festival, European Small Size network and Darlington Early Years Partnership

The major risks to which the charity is exposed and reviews and systems to mitigate risks

The major risks to the charity are the loss of its status as a National Portfolio Organisation and the effect of the economic downturn on its trading activities

The charity has recognized and prioritised the need to reduce its dependency on Arts Council revenue funding, so the projected risks come as no surprise. The charity is planning to diversify its funding portfolio during this period of portfolio status to spread the risk and reliance on income from public funds, and also to increase earned income

The charity is satisfied that a plan and management systems are in place to mitigate their exposure to the major risks which have been so identified and reviewed

Financial review

Policies on reserves

During the year the company's reserves were reviewed and the fund allocations confirmed as adequate in line with the Charity Commission guidelines. In line with best practice the reserves policy will be reviewed annually in line with new budget setting

The level of reserves will be achieved by a review of salary and accommodation overheads for a three-month period. For this year the trustees set an acceptable reserve of £25,000 which we believe would adequately cover the costs of the company if it had to be dissolved

Principal funding sources and how expenditure in the year under review has supported the key objectives of the charity.

Arts Council England, North East provided a revenue grant of £161,669. These funds were used to support the core activity of the charity in its creation and touring of theatre for young audiences regionally, nationally and internationally

Availability and adequacy of assets of each of the funds

The Board of Trustees is satisfied that the charity's assets in each fund are available and adequate to fulfil its obligations in respect of each fund

Cleveland Independent Theatre Company Limited

The Report of the Trustees for the year ended 31 March 2011

Transactions and financial position

The financial statements are set out on pages 15 to 28. The financial statements have been prepared implementing the 2008 Revision of the Statement of Recommended Practice for Accounting and Reporting by Charities issued by the Charity Commission for England and Wales and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

As stated in the introduction to this report, the Trustees consider the financial performance by the charity during the year to have been satisfactory.

The Statement of Financial Activities shows net incoming resources for the year of an unrestricted revenue nature of £21,138, and net realised incoming resources of a restricted nature of £Nil, making net overall realised incoming resources of £21,138.

The total reserves at the year end stand at £72,979.

A majority of the expenditure is spent on the charitable objects of the charity.

Specific changes in fixed assets

Changes in fixed assets are shown in detail in the notes to the accounts.

Share capital

The company is limited by guarantee and therefore has no share capital.

Plans for future periods

The following projects begun this year and will come into fruition in 2011-2012:

The Night Pirates returns in the summer 2011 for a further national tour including a two week residency at The Unicorn Theatre in London.

Five has been invited to the Spark Festival in Leicester in June 2011.

Angel, a new play by award-winning playwright Kevin Dyer about the relationship between a young girl and an old woman with dementia, will tour nationally to schools and venues in the spring 2012.

Cleveland Independent Theatre Company Limited

The Report of the Trustees for the year ended 31 March 2011

The name of the Creative Producer to whom day to day management of the charity is delegated by the charity trustees

Miranda Thain is Creative Producer and is responsible for the day to day management of the charity as delegated by the charity trustees

The members of the Board of Trustees of the charity during the year ended 31 March 2011 were.-

Elizabeth Ann Langham (Chair)
David Louis John Blair
Margaret Ann Cunningham
Jessica Irene Farmer
Emma Gaudern

Dora Frankel
Elizabeth Kay Hepplewhite ***
Gwyneth Kathryn Lamb
Dorothy Claire Long

At the Annual General Meeting three retire on a rotational basis, but are eligible for reappointment if they have served fewer than three terms

At the Annual General Meeting *** retires, but is eligible for reappointment

All Trustees are members of the charity

The members of the Board of Trustees of the charity at the date the report and accounts were approved were -

Elizabeth Ann Langham (Chair)
David Louis John Blair
Jessica Irene Farmer
Dora Frankel
David John Napthine
Anne Isabelle Besford
Pauline Moger

Elizabeth Kay Hepplewhite
Gwyneth Kathryn Lamb
Dorothy Claire Long
Emma Gaudern
Sharon Ann Paterson
Denis Parry

Cleveland Independent Theatre Company Limited

The Report of the Trustees for the year ended 31 March 2011

Statement as to disclosure of information to auditors

The Trustees, in their capacity as Directors, state that so far as each of the Directors at the time this report was approved are aware -

- a) there is no relevant audit information of which the auditors are unaware, and
- b) the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and establish that the auditors are aware of that information

Bankers

The Co-operative Bank
Delf House
Southway
Skelmersdale
WN8 6WT

Solicitors

Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

Auditors

Pinder & Ratki
Chartered Accountants and Statutory Auditors
7 Lansdowne Terrace
Gosforth
Newcastle upon Tyne
NE3 1HN

A resolution to reappoint Pinder & Ratki as auditors will be put to the members at the annual general meeting

Cleveland Independent Theatre Company Limited

The Report of the Trustees for the year ended 31 March 2011

Statement of Directors' and Trustees' responsibilities

Charity law and company law require the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of the surplus or deficit of the charity. In preparing those financial statements the Board is required to -

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business,
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements

The Trustees are also responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which are sufficient to show and explain the charity's transactions and enable them to ensure that the financial statements comply with the Companies Act 2006 and comply with regulations made under the Charities Act. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are also responsible for the contents of the Trustees' Report, and the responsibility of the auditor in relation to the Trustees' Report is limited to examining the report and ensuring that, on the face of the Report, there are no inconsistencies with the figures disclosed in the financial statements.

Method of preparation of accounts

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

This report was approved by the Board of Trustees on 26 October 2011.



Elizabeth Ann Langham
Director and Trustee

Cleveland Independent Theatre Company Limited

Independent Auditors' Report

Report of the Independent Auditors to the Trustees of Cleveland Independent Theatre Company Limited

We have audited the financial statements of Cleveland Independent Theatre Company Limited for the year ended 31 March 2011 which comprise the Statement of Financial Activities, the Profit and Loss Account, the Balance Sheet and the related notes, as set out on pages 15 to 28. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the trustees of the charitable company, as a body, in accordance with the requirements of the Charities Act 1993. Our audit work has been undertaken so that we might state to the trustees 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 liability to anyone other than the charity and the trustees as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of trustees as directors and of the auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 1993 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with section 44 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Cleveland Independent Theatre Company Limited

Independent Auditors' Report

Report of the Independent Auditors

to the Trustees of Cleveland Independent Theatre Company Limited

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2011, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion

- the information given in the Trustees' annual report is inconsistent in any material respect with the financial statements, or
- the charitable company has not kept adequate accounting records, or
- the financial statements are not in agreement with the accounting records and returns, or
- we have not received all the information and explanations we require for our audit



Michael Ratki FCA DChA
Senior Statutory Auditor
for and on behalf of Pinder & Ratki
Chartered Accountants
Statutory Auditors
7 Lansdowne Terrace
Gosforth
Newcastle upon Tyne
NE3 1HN

The date upon which our opinion is expressed is -
26 October 2011

Pinder & Ratki are eligible to act as auditors in terms of section 1212 of the Companies Act 2006

Cleveland Independent Theatre Company Limited

Statement of Financial Activities for the year ended 31 March 2011

	Unrestricted funds 2011 £	Restricted funds 2011 £	Total funds 2011 £	Last year total funds 2010 £
Incoming resources				
<i>Incoming resources from generated funds</i>				
Voluntary income	178,099	41,658	219,757	243,468
Investment income	106	-	106	79
<i>Incoming resources from charitable activities</i>	43,630	-	43,630	59,558
Total incoming resources	221,835	41,658	263,493	303,105
Resources expended				
<i>Costs of generating funds</i>				
Costs of generating voluntary income	9,741	-	9,741	5,823
<i>Costs of charitable activities</i>	187,582	41,658	229,240	308,270
<i>Governance costs</i>	3,374	-	3,374	3,363
Total resources expended	200,697	41,658	242,355	317,456
Net incoming resources/(net outgoing resources) before transfers between funds	21,138	-	21,138	(14,351)
Net movement in funds	21,138	-	21,138	(14,351)
Reconciliation of funds				
<i>Total funds brought forward</i>	51,841	-	51,841	66,192
Total funds carried forward	72,979	-	72,979	51,841

The net movement in funds referred to above is the net outgoing resources as defined in the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commission for England & Wales and is reconciled to the total funds as shown in the Balance Sheet on page 18 as required by the said statement

All activities derive from continuing operations

The notes on pages 19 to 28 form an integral part of these accounts.

Cleveland Independent Theatre Company Limited
Income and Expenditure Account as required by the Companies Act
for the year ended 31 March 2011

	Notes	2011 £	2010 £
Turnover	3	263,387	303,026
Direct costs of turnover		(238,033)	(313,406)
Depreciation of assets	3	(948)	(687)
Gross surplus/(deficit)		<u>24,406</u>	<u>(11,067)</u>
Governance costs		(3,374)	(3,363)
Operating surplus/(deficit)		<u>21,032</u>	<u>(14,430)</u>
Interest receivable		106	79
Surplus/(deficit) for the financial year		<u>21,138</u>	<u>(14,351)</u>
Transfers from designated funds		-	18,000
Retained surplus for the financial year		<u>21,138</u>	<u>3,649</u>

All activities derive from continuing operations

The notes on pages 19 to 28 form an integral part of these accounts.

Cleveland Independent Theatre Company Limited

Movements in Revenue and Capital Funds

for the year ended 31 March 2011

Revenue accumulated funds	Unrestricted funds 2011 £	Restricted funds 2011 £	Total funds 2011 £	Last year total funds 2010 £
Accumulated funds brought forward	48,841	-	48,841	45,192
Recognised gains and losses before transfers	21,138	-	21,138	(14,351)
	69,979	-	69,979	30,841
Transfers from designated funds	-	-	-	18,000
Closing revenue accumulated funds	69,979	-	69,979	48,841

Designated revenue funds	Total funds 2011 £	Last year total funds 2010 £
At 1 April 2010	3,000	21,000
Transfer to revenue accumulated funds	-	(18,000)
At 31 March 2011	3,000	3,000

The purposes for which the designated funds have been established are described in the notes to the accounts

Summary of Funds **for the year ended 31 March 2011**

	Designated funds 2011 £	Unrestricted funds 2011 £	Restricted funds 2011 £	Total funds 2011 £	Last year total funds 2010 £
Revenue accumulated funds	-	69,979	-	69,979	48,841
Revenue designated funds	3,000	-	-	3,000	3,000
Total funds	3,000	69,979	-	72,979	51,841

The statement of changes in resources applied for fixed assets for charity use is shown in the notes to the accounts

The notes on pages 19 to 28 form an integral part of these accounts.

Cleveland Independent Theatre Company Limited

Company Number: 01458421

Balance Sheet

as at 31 March 2011

	Notes	2011 £	2010 £
Fixed assets			
Tangible assets	11	1,383	984
Current assets			
Debtors	12	9,195	10,658
Cash at bank and in hand		71,102	45,711
		<u>80,297</u>	<u>56,369</u>
Creditors - amounts falling due within one year	13	<u>(8,701)</u>	<u>(5,512)</u>
Net current assets		71,596	50,857
Total assets less current liabilities		<u>72,979</u>	<u>51,841</u>
Net assets		<u>72,979</u>	<u>51,841</u>
The funds of the charity			
Unrestricted income funds			
Unrestricted revenue accumulated funds	18	69,979	48,841
Designated revenue funds		<u>3,000</u>	<u>3,000</u>
Total unrestricted funds		72,979	51,841
Total charity funds		<u>72,979</u>	<u>51,841</u>

The trustees are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006 and that the members have not required the company to obtain an audit in accordance with section 476 of the Act

The trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime



Elizabeth Ann Langham

Trustee

Approved by the trustees on 26 October 2011

The notes on pages 19 to 28 form an integral part of these accounts.

Cleveland Independent Theatre Company Limited

Notes to the Accounts

for the year ended 31 March 2011

1 Accounting policies

Basis of preparation of the accounts

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (FRSSE), effective April 2008, and all other applicable accounting standards, as modified by the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales, effective April 2005 - revised June 2008 (the SORP). The accounts have been drawn up in accordance with the provisions of the Charities (Accounts and Reports) Regulations 2008 and the Companies Act 2006, and include the results of the charity's operations which are described in the Trustees' Report, all of which are continuing.

Insofar as the SORP requires compliance with specific Financial Reporting Standards other than the FRSSE then the specific Financial Reporting Standards have been followed where their requirements differ from those of the FRSSE.

Advantage has been taken of Section 396(5) of The Companies Act 2006 to allow the format of the financial statements to be adapted to reflect the special nature of the charity's operation and in order to comply with the requirements of the SORP.

The charity has taken advantage of the exemption in the FRSSE from the requirement to produce a cash flow statement.

The particular accounting policies adopted are set out below.

Accounting convention

The financial statements are prepared, on a going concern basis, under the historical cost convention.

The charity is dependent on continuing grant aid and as a consequence the going concern basis is also dependent on the continuing grant aid.

Incoming resources

Incoming resources are accounted for on a receivable basis deferred as described below where appropriate.

Investment income

Bank interest and rental income are included in the income and expenditure account on a receivable basis.

Gifts in kind

The rent charged by Darlington Arts Centre is at a nominal rate. The trustees consider that the full market rent is £14,000 higher than that paid.

Cleveland Independent Theatre Company Limited

Notes to the Accounts

for the year ended 31 March 2011

Deferred income

In accordance with the SORP grants received in advance and specified by the donor as relating to specific accounting periods or alternatively which are subject to conditions which are still to be met, and which are outside the control of the charity or where it is uncertain whether the conditions can or will be met, are deferred on an accruals basis to the period to which they relate. Such deferrals are shown in the notes to the accounts and the sums involved are shown as creditors in the accounts.

Recognition of liabilities

Liabilities are recognised on the accruals basis in accordance with normal accounting principles, modified where necessary in accordance with the guidance given in the SORP.

Resources expended

The policy for including items within the relevant activity categories of resources expended is as detailed in the Trustees' Report.

In particular the policy for including items within costs of generating funds, charitable activities and governance costs is based on current accounting standards, the SORP and the reasonable judgement of the trustees.

Costs of generating funds

The costs of raising and generating funds includes the relevant proportion of management salaries appropriate to the amounts of time spent on these activities.

Charitable activities

Charitable expenditure includes all expenditure directly related to the objects of the charity including the following -

Activities in furtherance of the charity's objectives

The costs of activities in furtherance of the charity's objectives represents the project costs that have been incurred in charitable activities.

Support costs of activities

Support costs of activities for charitable purposes includes the relevant proportion of staff salaries appropriate to the amounts of time spent on project development and management, and promotion and marketing costs.

Governance costs

Governance costs include all expenditure directly related to the administration of the charity including expenditure incurred in the management of the charity's assets, organisational administration and compliance with charitable and statutory requirements.

Cleveland Independent Theatre Company Limited

Notes to the Accounts

for the year ended 31 March 2011

Allocation of costs within types of resources expended

The methods and principles for the allocation and apportionment of all costs between the different activity categories of resources set out above are -

The charity's operating costs include staff costs, premises and other related costs. Such costs are allocated between types of resources expended and between charitable expenditure and management and administration by applying reasonable judgement.

Administration expenditure includes all expenditure not directly related to charitable activity. In respect of certain items of expenditure it is a matter of judgement as to whether such items are direct charitable expenditure or are administrative, and the Trustees have applied what they consider to be reasonable judgements in apportioning such costs.

Fixed assets and depreciation

All tangible fixed assets are stated at cost less depreciation. Items of less than £100 are not capitalised.

Depreciation has been provided at the following annual rates in order to write off the assets over their estimated useful economic lives. Assets are not depreciated until they are first used.

Furniture and fittings	over 5 years on a straight line basis
Office and computer equipment	over 3 years on a straight line basis

A regular annual review of the likelihood of asset impairment is undertaken.

Taxation

As a registered charity, the company is exempt from income and corporation tax to the extent that its income and gains are applicable to charitable purposes only. Value Added Tax is partially recoverable by the company. The recovered amounts are excluded from the relevant income and expenditure in the statement of financial activities and tangible fixed assets on the balance sheet.

Finance and operating leases

Rentals payable in respect of operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities as incurred.

Funds structure policy

The charity maintains a general unrestricted fund which represents funds which are expendable at the discretion of the trustees in furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

There is no formal policy of transfer between funds or on the allocation of funds to designated funds, other than that described above.

Cleveland Independent Theatre Company Limited

Notes to the Accounts

for the year ended 31 March 2011

2 Winding up or dissolution of the charity

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity

3 Surplus/(deficit) for the financial year

2011
£

2010
£

This is stated after crediting :-

Revenue turnover from ordinary activities

263,387

303,026

and after charging:-

Depreciation of owned fixed assets

948

687

Rentals under operating leases

21,988

17,681

Auditors' remuneration

1,800

1,800

Other professional fees paid to auditors

1,500

1,500

4 Expenses paid to trustees or persons connected with trustees

2011
£

2010
£

The aggregate amount of expenses paid to trustees was

74

63

Cleveland Independent Theatre Company Limited

Notes to the Accounts

for the year ended 31 March 2011

5 Detailed analysis of certain transactions required by the SORP

Various items of support costs and charitable expenditure which are required by the SORP are set out below

	Fundraising £	Theatre activities £	2011 Total £	2010 Total £
<i>Incoming resources from generated funds</i>				
Voluntary income	-	219,757	219,757	243,468
Investment income	-	106	106	79
<i>Incoming resources from charitable activities</i>	-	43,630	43,630	59,558
Total incoming resources	<u>-</u>	<u>263,493</u>	<u>263,493</u>	<u>303,105</u>
<i>Costs of generating funds</i>				
Costs of generating voluntary income	9,741	-	9,741	5,823
<i>Costs of charitable activities</i>	-	229,240	229,240	308,270
<i>Governance costs</i>	-	3,374	3,374	3,363
Total resources expended	<u>9,741</u>	<u>232,614</u>	<u>242,355</u>	<u>317,456</u>
Net incoming/(outgoing) resources analysed by activity	<u>(9,741)</u>	<u>30,879</u>	<u>21,138</u>	<u>(14,351)</u>

6 Analysis of support costs

An analysis of support costs by activity which are required by the SORP to be disclosed in the notes to the accounts are set out below

	Fundraising £	Theatre activities £	2011 Total £	2010 Total £
<i>Nature of support costs</i>				
Marketing	-	14,363	14,363	40,818
Management and support staff	9,741	74,184	83,925	42,992
Premises	-	20,987	20,987	20,733
General administrative expenses	-	20,212	20,212	16,453
Depreciation of assets	-	948	948	687
Total support costs analysed by activity	<u>9,741</u>	<u>130,694</u>	<u>140,435</u>	<u>121,683</u>
<i>The above amounts are shown in the accounts as</i>			2011 £	2010 £
Support costs for generating voluntary income			9,741	5,823
Support costs for charitable activities			130,694	115,860
			<u>140,435</u>	<u>121,683</u>

The basis of allocation of costs and the methods used are described in note 1 to the accounts

Cleveland Independent Theatre Company Limited

Notes to the Accounts

for the year ended 31 March 2011

7 Analysis of charitable expenditure

An analysis of charitable expenditure by activity which are required by the SORP to be disclosed in the notes to the accounts are set out below

	Fundraising	Theatre	2011	2010
	£	activities	Total	Total
		£	£	£
<i>Nature of charitable expenditure</i>				
Activities undertaken directly	-	98,546	98,546	192,410
Support costs of charitable activities	-	130,694	130,694	115,860
Total charitable expenditure				
analysed by activity	<u>-</u>	<u>229,240</u>	<u>229,240</u>	<u>308,270</u>

An explanation of the main features of charitable expenditure is given in note 1 to the accounts

8 Investment income	2011	2010
	£	£
Bank deposit interest received	<u>106</u>	<u>79</u>
9 Staff costs and emoluments	2011	2010
	£	£
Gross salaries	80,824	30,528
Employer's National Insurance	9,350	10,273
	<u>90,174</u>	<u>40,801</u>
Numbers of full time employees or full time equivalents	2011	2010
Engaged on charitable activities	2	2
Engaged on management and administration	2	2
	<u>4</u>	<u>4</u>

There were no fees or other remuneration paid to the trustees

There were no employees with emoluments in excess of £60,000 per annum

10 Trustees' remuneration

Neither the trustees nor any persons connected with them have received any remuneration, either in the current year or the prior year

Cleveland Independent Theatre Company Limited

Notes to the Accounts

for the year ended 31 March 2011

11 Tangible functional fixed assets

	Plant & Machinery etc £	Total £
Asset cost		
At 1 April 2010	28,345	28,345
Additions	1,347	1,347
Disposals	(24,356)	(24,356)
At 31 March 2011	<u>5,336</u>	<u>5,336</u>
Accumulated depreciation		
At 1 April 2010	27,361	27,361
Eliminated on disposals	(24,356)	(24,356)
Charge for the year	948	948
At 31 March 2011	<u>3,953</u>	<u>3,953</u>
Net book value		
At 31 March 2011	<u>1,383</u>	<u>1,383</u>
At 31 March 2010	<u>984</u>	<u>984</u>

All assets are used for direct charitable purposes and there are no inalienable or heritage assets

12 Debtors

	2011 £	2010 £
Trade debtors	1,300	2,677
Other debtors	3,658	5,100
VAT	695	-
Prepaid expenses	3,542	2,881
	<u>9,195</u>	<u>10,658</u>

13 Creditors' amounts falling due within one year

	2011 £	2010 £
Trade creditors	593	1,350
Accrued expenses	3,938	3,300
PAYE and NI	2,893	-
VAT	-	862
Other creditors	1,277	-
	<u>8,701</u>	<u>5,512</u>

Cleveland Independent Theatre Company Limited

Notes to the Accounts

for the year ended 31 March 2011

14 Operating leases	2011 £	2010 £
At the year end the company had annual commitments under non-cancellable operating leases as set out below		
Operating leases which expire		
within two to five years	3,597	2,396
in over five years	-	1,201
	<u>3,597</u>	<u>3,597</u>

15 Post Balance Sheet events

There have been no material events since 31 March 2011

16 Related party transactions

The charity has a close relationship with Arts Council England. The organisation nominates an observer to the board meetings and provides funding to enable the charity to carry out its charitable objectives. The charity received revenue core funding grants amounting to £161,669 from Arts Council England, North East during the year, (2010 £158,209). There were no amounts outstanding at 31 March 2011, (2010 £Nil).

17 Analysis of the net movement in funds	2011 £	2010 £
Net movement in funds from Income and Expenditure Account	21,138	3,649
Net movement in funds available for future activities	<u>21,138</u>	<u>3,649</u>

Cleveland Independent Theatre Company Limited

Notes to the Accounts

for the year ended 31 March 2011

18 Particulars of individual funds and analysis of assets and liabilities representing funds

At 31 March 2011	Unrestricted funds £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	1,383	-	-	1,383
Current assets	77,297	3,000	-	80,297
Current liabilities	(8,701)	-	-	(8,701)
	<u>69,979</u>	<u>3,000</u>	<u>-</u>	<u>72,979</u>
At 1 April 2010	Unrestricted funds £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	984	-	-	984
Current assets	53,369	3,000	-	56,369
Current liabilities	(5,512)	-	-	(5,512)
	<u>48,841</u>	<u>3,000</u>	<u>-</u>	<u>51,841</u>

The individual funds included above are :-

	Funds at 2010 £	Movements in funds as below £	Transfers between funds £	Funds at 2011 £
Revenue reserves	48,841	21,138		69,979
Disabled access	3,000	-	-	3,000
	<u>51,841</u>	<u>21,138</u>	<u>-</u>	<u>72,979</u>

Analysis of movements in funds as shown in the table above

	Incoming resources £	Outgoing resources £	Gains and losses £	Movement in funds £
Revenue reserves	221,835	200,697	-	21,138
Grants for the Arts	38,000	38,000	-	-
Small Size, Big Citizens European Small Size Network	3,658	3,658	-	-
	<u>263,493</u>	<u>242,355</u>	<u>-</u>	<u>21,138</u>

Grants for the Arts

This fund was provided to the theatre for the costs associated with The Night Pirates National Touring

Small Size, Big Citizens: European Small Size Network

This fund was provided to the theatre for the costs associated with the Takeoff Festival

Cleveland Independent Theatre Company Limited

Notes to the Accounts

for the year ended 31 March 2011

19 Endowment funds

The charity had no endowment funds in the year ended 31 March 2011 or in the year ended 31 March 2010

20 Share capital

The charity is incorporated under the Companies Act 2006 and is limited by guarantee, each member having undertaken to contribute such amounts not exceeding one pound as may be required in the event of the company being wound up whilst he or she is still a member or within one year thereafter