

Registered Charity Number
279690

Registered Company Number
01458421

Cleveland Independent Theatre Company Limited
Report and Accounts
for the year ended
31 March 2012

THURSDAY



A107D9DC

A49

20/12/2012

#279

COMPANIES HOUSE

Cleveland Independent Theatre Company Limited
Report and Accounts
Contents

	Page
Trustees' Annual Report	1 - 11
Independent Auditors' Report	12 - 13
Statement of Financial Activities	14
Income and Expenditure Account	15
Movements in Accumulated Funds	16
Balance Sheet	17
Notes to the Accounts	18- 27

Cleveland Independent Theatre Company Limited

Trustees' Annual Report for the year ended 31 March 2012

Introduction

The trustees present their annual report and accounts for the year ended 31st March 2012

The board of trustees are satisfied with the performance of the charity during the year and the position at 31 March 2012 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. The charity is also known by the 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>	The Meeting Rooms, 5 Skinnergate, Darlington, DL3 7NB
<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, based in the North East of England, creating quality work for young audiences. We believe that children deserve work of the highest quality and greatest artistic challenge, so we collaborate with artists 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.

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.

Cleveland Independent Theatre Company Limited

Trustees' Annual Report for the year ended 31 March 2012

An explanation of the charity's strategies for achieving its stated objectives

Strategically, objectives were to -

- * Invest in new work with strong partnerships to support Theatre Hullabaloo's reputation nationally and as an exemplar organisation commissioning new work for young audiences
- * Build on gains made in previous years around the company's national touring profile by retouring highly successful product
- * Build regional partnerships to ensure a new home for the company and for the expanded Takeoff Festival programme
- * Diversify funding streams and secure new funding partnerships
- * Invest in enriching our work through artist development programmes and education and outreach activities (including Arts Award)
- * Restructure the staffing structure of the organisation to ensure capacity to deliver the ambitious programme of work laid out in the business plan
- * Continue to review, develop and document best practice in all areas of the organisation

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

Theatre Hullabaloo was included in Arts Council England's new portfolio of organisations announced in January 2011 for the period April 2012 – March 2015. The company was awarded an uplift of almost 30% as part of the new funding agreement, in recognition of the ambitious programme and particularly the expansion of the Takeoff Festival for the benefit of communities in County Durham. The 2011/12 period was therefore one of transition, enabling the company to plan and restructure to ensure the capacity and new partnerships required to deliver the programme of activity.

The company sought to build upon its reputation as a leading touring company creating theatre for young audiences, offering an artistic programme that included the commissioning of a challenging new play. Developmental outreach activity, including the piloting of new projects delivered with young people, were some of the new areas of practice seeded to complement the main programme.

Cleveland Independent Theatre Company Limited

Trustees' Annual Report for the year ended 31 March 2012

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

The Night Pirates – a national tour of Theatre Hullabaloo's highly successful adaptation of the much-loved picture book for audiences of 3 – 5 years and their families, including high profile venues such as The Unicorn Theatre in London. The Night Pirates toured nationally in the Summer 2011.

Angel – a new writing commission for audiences of 10 years and above which looks at the relationship that develops between a young girl and an old woman with dementia. This new play toured nationally in the Spring 2012 and included extension work in partnership with Age UK.

Theatre Hullabaloo also led a pilot project for Arts Award, an accredited programme of arts activity designed for children aged 7 – 11 years and undertook a detailed period of developmental work with artists and children which focussed on the company's opera for young audiences, **My Mother Told Me Not to Stare**.

Following the announcement of the closure of the company's home at Darlington Arts Centre due to reduced investment from the local authority, a primary objective for 2011/12 was to secure new partnerships and a new home for the company appropriate to its needs and suitable to deliver the ambitions of the business plan.

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 relation to its objects

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.

Cleveland Independent Theatre Company Limited

Trustees' Annual Report for the year ended 31 March 2012

Details of significant activities (including its main programmes, projects, or services provided) that contribute to the achievement of the stated objectives

In many ways, 2011/12 was a transitional year for all organisations moving from regular funding to portfolio funding and Theatre Hullabaloo was no exception. The welcome increase in funding to enable us to expand the organisation's activities in two main areas - child-centred participatory work and increased impact through the Takeoff Festival - has meant that it was necessary to use the transitional nature of 2011/12 funding to ensure that the company was resourced and equipped to achieve its goals.

Considerable work had been put in by senior staff and the board to develop the three year business plan, which underpins the expansion, prior to the application for portfolio funding, however recruiting for the new staffing structure and building the relationships required to expand the Takeoff Festival has been a major undertaking. For this reason, in 2011/12 the company deviated from its usual pattern of two touring productions plus the Takeoff Festival in order to plough creative and strategic energies into building the foundations required to enable the Festival expansion in 2012.

The artistic programme delivered in this period, therefore, consisted of,-

Performances of **FIVE**, the early years dance installation first created in 2008, as part of the Spark Children's Arts Festival in Leicester.

A national tour of **The Night Pirates**, an adaptation of the popular children's picture book for audiences of 3 years and above and their families. The national re-tour was prompted by demand following the show's creation and hugely successful national tour in 2010. The 2011 retour included a sell-out run at The Unicorn Theatre.

A new national touring production, **Angel** by Kevin Dyer, Theatre Hullabaloo's first commission of a new play, for audiences of 10 years and above about the relationship between a young girl and an old woman with dementia. Angel toured nationally in the Spring 2012 in partnership with Age UK.

The company also undertook two significant pieces of artistic developmental work,-

(A) With funding from Grants for the Arts, we underwent a six month redevelopment of our new opera for young audiences, **My Mother Told Me Not to Stare**. This was a fantastically rich period of artistic development with artists and children. **My Mother** is a very ambitious work and unprecedented investment in artists' time as well as in new orchestral recordings has paid huge dividends in terms of the final production and also the artistic growth and experience of the company. **My Mother Told Me Not to Stare** has since gone on to tour nationally in the summer 2012 with an accompanying education programme.

(B) In the autumn 2011, Theatre Hullabaloo developed a pilot project for the new Arts Award 7-11 Discover and Explore programmes, building on our partnership with Darlington Arts Team and on the facilities of our base at Darlington Arts Centre.

Cleveland Independent Theatre Company Limited

Trustees' Annual Report for the year ended 31 March 2012

The artistic programme has therefore been characterized by a mixture of past successes retoured to ensure maximum reach and high national profile, ambitious new work with new partners and a new audience, and the development of new avenues of engagement in the way artists work with young people

In addition to the company's own busy artistic programme and future planning, considerable time has also been spent negotiating the changing arts climate in Darlington and the requirement for the company to relocate following the announcement of the closure of Darlington Arts Centre

Despite the external uncertainty and the focus on development of new initiatives, Theatre Hullabaloo has achieved and maintained considerable successes across its artistic programme. The Night Pirates generated extremely high box office. The run at The Unicorn built up the company's national profile and the show once again received hugely warm feedback from children and families. Angel, recently nominated for a Writer's Guild of Great Britain Award for Best Play for Young Audiences, achieved critical acclaim and was extremely significant for many of the young people - and their older friends and relations - who saw the show. Both projects with young people have been of substantial benefit to the company's development in terms of its artistic process and engagement with its audience in the creation of new work.

The strategic work in the development of the expanded Takeoff Festival has been beneficial, attracting a higher profile and new funders and sponsors to the event. Successful application for strategic touring funds to develop the North East Children's Theatre Consortium, an important strategic development for young audiences regionally and the inclusion in a consortium approach to Catalyst, are both products of the time taken to reposition the company in order to deliver an ambitious on-going programme. These new ventures serve two important strategic objectives for the organisation. The consortium serves as a strategic way to influence theatre for young audiences regionally and provide a platform for advocacy nationally, whilst Catalyst presents new avenues to diversify income streams and ensure less dependency on state subsidy.

The creation of the new posts of Operations Manager, responsible for the operations of the company, its financial and income generation strategies and the management of the Festival, as well as a Development Worker, who will lead on work with young people, are significant new roles crucial to the delivery of the company's programme of activity and its sustainability. We are keen to ensure that the new Development Worker provides a broader package to encourage schools' audiences to engage with more challenging work.

The addition of the role of Operations Manager to the senior management of the organization is crucial in terms of ensuring stability and building capacity, both risks identified in an organizational review commissioned as part of business planning. It is anticipated that the Development Worker role will facilitate closer working relationships with schools, grow our Arts Award activity and support audiences through extended learning opportunities. Both new staff members bring exceptional skills and experience to their new roles, strengthening the core team expertise in areas of financial management and work with the formal education sector.

Cleveland Independent Theatre Company Limited

Trustees' Annual Report for the year ended 31 March 2012

The development of the board over the last few years, with formal rotational and recruitment structures, has paid dividends and trustees have been closely involved with business planning, staff recruitment and issues connected to relocation. The newly introduced sub-group structure has meant a particularly rigorous approach to financial management and strategies for income generation and has enabled what is now a large board to scrutinise and advise effectively. The annual board Away Day has an important role to play in the development of the company's strategic priorities.

Although not evident within the financials for 2011/12, Theatre Hullabaloo has invested board and staff time in the development of income generation strategies which have now proven to reap rewards, including support from two separate trusts for elements of the opera project in 2012 and Takeoff 2012. We have also attracted corporate investment in Takeoff 2012 and developed new funding relationships with partners in Durham, including the local authority. The commitment to Darlington has resulted in a much higher profile relationship with the Borough Council and a central role in the vision for Creative Darlington.

Theatre Hullabaloo is now poised to move to alternative premises in Darlington with a view to continuing to play a pivotal role in the development of the vision for Creative Darlington and its ambition to celebrate theatre for children as a specialism.

Public benefit

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 have put in place a range of bursary options to ensure opportunities are available to all.

Achievements and performance of the charity

A review of charitable activities undertaken by the charity

In 2011/12 Theatre Hullabaloo gave **94** performances in theatres, arts venues and schools which were attended by **8949** children and their grown-ups.

The company also ran educational workshops and extension activities to enhance young people's experiences of our work, **524** 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.

Cleveland Independent Theatre Company Limited

Trustees' Annual Report for the year ended 31 March 2012

Factors relevant to the achievement of the charity's objectives

We are grateful for the on-going support of project sponsors such as Darlington Arts Centre (Five), Grants for the Arts (My Mother Told Me Not to Stare), John Fell Fund, Oxford University (My Mother Told Me Not to Stare), Fenton Arts Trust (Takeoff Festival), Darlington Borough Council, Business Link and Arts Council England

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.

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 a finance sub-group which meets quarterly and also subgroups in areas of personnel, income generation and to review relocation options. These groups 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

Trustees' Annual Report for the year ended 31 March 2012

Relationships with other groups, charities and individuals

Valuable partnerships this year included those with Darlington Arts Centre, Darlington Borough Council, Spark Children's Arts Festival, Durham Arts Team, Age UK, The Point, Eastleigh and Action Transport Theatre

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 accordance 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 £150,513. 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.

Transactions and financial position

The financial statements are set out on pages 14 to 27. 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 outgoing resources for the year of an unrestricted revenue nature of £29,883, and net realised incoming resources of a restricted nature of £Nil, making net overall realised outgoing resources of £29,883.

The total reserves at the year end stand at £43,096.

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.

Cleveland Independent Theatre Company Limited

Trustees' Annual Report for the year ended 31 March 2012

Share capital

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

Plans for future periods

The following projects began this year and will come into fruition in 2012-13

My Mother Told Me Not to Stare, our gothic operetta for everyone aged 8 years and above, tours nationally in the summer of 2012

The Elves & the Shoemakers, a new version of the classic tale for audiences of 3 years and above, tours nationally in co-production with The Berry Theatre in the autumn of 2012

Takeoff Festival comes to County Durham in November 2012, bringing world-class theatre to young people families across the region during a week long celebration of the best of children's theatre, with a particular emphasis on creative opportunities for the very youngest

The name of the Creative Producer and other senior staff members 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

Staff team

Miranda Thain, Creative Producer
Sarah Fanning, Operations Manager
Diann Allenby, Tour Coordinator
Dorcas Pye, Communications Officer
Phil Douglas, Communications Officer (covering maternity leave)
Amy Mitchell, Development Worker
Hannah Clarke-Stamp, Takeoff Festival Coordinator

The members of the board of trustees of the charity during the year ended 31st March 2012 were:-

Elizabeth Ann Langham (Chair) **	Gwyneth Lamb
Elizabeth Kay Hepplewhite (Vice Chair)	Dorothy Claire Long ****
Anne Besford	Pauline Moger
David Blair (resigned 2 September 2012)	David Naphine
Jessica Farmer	Denis Parry
Dora Frankel (resigned 30 April 2012)	Sharon Paterson
Emma Gaudern	

All the directors of the company are also trustees of the charity, and their responsibilities include all the responsibilities of directors under the Companies Acts and of trustees under the Charities Acts. All trustees are members of the charity.

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 this Annual General Meeting **** retire, but are eligible for reappointment.

At this Annual General Meeting ** retire.

Cleveland Independent Theatre Company Limited

Trustees' Annual Report for the year ended 31 March 2012

The members of the board of trustees of the charity at the date the report and accounts were approved were:-

Elizabeth Ann Langham (Chair)	Dorothy Claire Long
Elizabeth Kay Hepplewhite (Vice Chair)	Pauline Moger
Anne Besford	David Naphine
Jessica Farmer	Denis Parry
Emma Gaudern	Sharon Paterson
Gwyneth Lamb	

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

Auditor

Pinder & Ratki
Chartered Accountants
7 Lansdowne Terrace
Gosforth
Newcastle upon Tyne

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

Cleveland Independent Theatre Company Limited

Trustees' Annual Report for the year ended 31 March 2012

Statement of directors' and trustees' responsibilities

The Charities Act and the Companies Act 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

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

This report was approved by the board of trustees on 9 October 2012.



E A 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 2012 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheet and the related notes, as set out on pages 14 to 27. 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 2011. 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 11, 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 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with section 154 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 Trustees' Annual Report 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

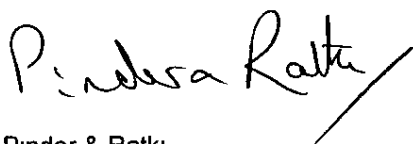
In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2012, 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 2011 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



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

The date upon which our opinion is expressed is -
9 October 2012

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 2012

	Notes	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £	Last year total funds 2011 £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income		165,637	24,831	190,468	219,757
Investment income		133	-	133	106
<i>Incoming resources from charitable activities</i>		42,109	-	42,109	43,630
Total incoming resources		207,879	24,831	232,710	263,493
Resources expended					
<i>Costs of generating funds</i>					
Costs of generating voluntary income		10,895	-	10,895	9,741
<i>Costs of charitable activities</i>		222,114	24,831	246,945	229,240
<i>Governance costs</i>		4,753	-	4,753	3,374
Total resources expended		237,762	24,831	262,593	242,355
Net incoming/(outgoing) resources before transfers between funds		(29,883)	-	(29,883)	21,138
Net movement in funds		(29,883)	-	(29,883)	21,138
Reconciliation of funds					
<i>Total funds brought forward</i>		72,979	-	72,979	51,841
Total funds carried forward		43,096	-	43,096	72,979

The net movement in funds referred to above is the net incoming resources as defined in the SORP and is reconciled to the total funds as shown in the Balance Sheet on page 17 as required by the SORP

All activities derive from continuing operations

The notes on pages 18 to 27 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 2012

	2012 £	2011 £
Turnover	232,577	263,387
Direct costs of turnover	257,840	238,981
Gross surplus/(deficit)	<u>(25,263)</u>	<u>24,406</u>
Governance costs	4,753	3,374
Operating surplus/(deficit)	<u>(30,016)</u>	<u>21,032</u>
Interest receivable	133	106
Surplus/(deficit) for the financial year	<u>(29,883)</u>	<u>21,138</u>
Retained surplus/(deficit) for the financial year	<u>(29,883)</u>	<u>21,138</u>

All activities derive from continuing operations

The notes on pages 18 to 27 form an integral part of these accounts

Cleveland Independent Theatre Company Limited

Movements in revenue and capital funds

for the year ended 31 March 2012

Revenue accumulated funds	Unrestricted funds	Restricted funds	Total funds	Last year total funds
	2012	2012	2012	2011
	£	£	£	£
Accumulated funds brought forward	69,979	-	69,979	48,841
Recognised gains and losses before transfers	(29,883)	-	(29,883)	21,138
Closing revenue accumulated funds	40,096	-	40,096	69,979

Designated revenue funds	Total funds	Last year total funds
	2012	2011
	£	£
At 1 April 2011	3,000	3,000
At 31 March 2012	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

	Designated funds	Unrestricted funds	Restricted funds	Total funds	Last year total funds
	2012	2012	2012	2012	2011
Revenue accumulated funds	-	40,096	-	40,096	69,979
Revenue designated funds	3,000	-	-	3,000	3,000
Total funds	3,000	40,096	-	43,096	72,979

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 18 to 27 form an integral part of these accounts

Cleveland Independent Theatre Company Limited

Company Number 01458421

Balance Sheet

as at 31 March 2012

	Notes	2012 £	2011 £
Fixed assets			
Tangible assets	12	<u>1,733</u>	<u>1,383</u>
		1,733	1,383
Current assets			
Debtors	13	6,143	9,195
Cash at bank and in hand		<u>82,258</u>	<u>71,102</u>
		88,401	80,297
Creditors - amounts falling due within one year	14	<u>(47,038)</u>	<u>(8,701)</u>
Net current assets		41,363	71,596
Total assets less current liabilities		<u>43,096</u>	<u>72,979</u>
Net assets		<u>43,096</u>	<u>72,979</u>
Unrestricted income funds			
Unrestricted revenue accumulated funds		40,096	69,979
Designated revenue funds		<u>3,000</u>	<u>3,000</u>
Total unrestricted funds		43,096	72,979
Total charity funds		<u>43,096</u>	<u>72,979</u>

The trustees are satisfied that for the year ended on 31 March 2012 the charitable company was entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006 and that no member or members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act. However, the members have requested an audit in accordance with section 144 of the Charities Act 2011 and this audit report appears on pages 12 and 13.

The directors acknowledge their responsibility 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 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).



E A Langham
Trustee

Approved by the board of trustees on 9 October 2012

The notes on pages 18 to 27 form an integral part of these accounts

Cleveland Independent Theatre Company Limited

Notes to the Accounts

for the year ended 31 March 2012

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, (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 entirely 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.

Except as described under the 'Deferred income' accounting policy all grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

Investment income

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

Cleveland Independent Theatre Company Limited

Notes to the Accounts

for the year ended 31 March 2012

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.

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' Annual 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 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 2012

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, rent 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.

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

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

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.

Finance leases are accounted for in accordance with the requirements of the FRSSE.

Cleveland Independent Theatre Company Limited

Notes to the Accounts

for the year ended 31 March 2012

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.

Restricted funds have been provided to the charity for particular purposes, and it is the policy of the board of trustees to carefully monitor the application of those funds in accordance with the restrictions placed upon them.

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

Any other proposed transfer between funds would be considered on the particular circumstances.

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

2012	2011
£	£

This is stated after crediting :-

Revenue turnover from ordinary activities	<u>232,577</u>	<u>263,387</u>
---	----------------	----------------

and after charging -

Depreciation of owned fixed assets	893	948
Rentals under operating leases	18,786	21,988
Auditors' remuneration	1,800	1,800
Other fees paid to the auditors	<u>1,500</u>	<u>1,500</u>

4 Expenses paid to trustees or persons connected with trustees

2012	2011
£	£

The aggregate amount of expenses paid to trustees was	<u>1,453</u>	<u>74</u>
---	--------------	-----------

The nature of the expenses was the refund of travelling expenses, and the number of trustees to whom expenses payments were made was 2.

Cleveland Independent Theatre Company Limited

Notes to the Accounts

for the year ended 31 March 2012

5 Detailed analysis of certain transactions required by the SORP by activity

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

	Fundraising	Theatre	2012	2011
	£	activities	Total	Total
		£	£	£
<i>Incoming resources from generated funds</i>				
Voluntary income	-	190,468	190,468	219,757
Investment income	-	133	133	106
<i>Incoming resources from charitable activities</i>	-	42,109	42,109	43,630
Total incoming resources	-	232,710	232,710	263,493
<i>Costs of generating funds</i>				
Costs of generating voluntary income	10,895	-	10,895	9,741
Costs of charitable activities	-	246,945	246,945	229,240
Governance costs	-	4,753	4,753	3,374
Total resources expended	10,895	251,698	262,593	242,355
Net incoming / (outgoing) resources analysed by activity	(10,895)	(18,988)	(29,883)	21,138

6 Analysis of support costs by activity

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

	Fundraising	Theatre	2012	2011
	£	activities	Total	Total
		£	£	£
<i>Nature of support costs</i>				
Management and support staff	10,371	52,138	62,509	83,925
Marketing and publicity	-	18,181	18,181	14,363
Premises	-	21,340	21,340	20,987
General administrative expenses	-	22,072	22,072	20,212
Depreciation of assets	-	893	893	948
Total support costs analysed by activity	10,371	114,624	124,995	140,435
<i>The above amounts are shown in the accounts as</i>			2012	2011
			£	£
Support costs for generating voluntary income			10,371	9,741
Support costs for charitable activities			114,624	130,694
			124,995	140,435

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 2012

7 Analysis of charitable expenditure by activity

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

	Fundraising	Theatre	2012	2011
	£	activities	Total	Total
		£	£	£
<i>Nature of charitable expenditure</i>				
Activities undertaken directly		132,321	130,742	98,546
Support costs of charitable activities		114,624	116,203	130,694
Total charitable expenditure analysed by activity	-	246,945	246,945	229,240

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

8 Investment income	2012	2011
	£	£
Bank deposit interest received	133	106
	<u>133</u>	<u>106</u>

9 Deferred incoming resources and reserves - unrestricted funds

	Opening	Released	Received	Deferred
	deferrals	from prior	less released	at year end
	£	years	in year	£
		£	£	
John Fell Fund Award	-	-	28,000	28,000
Total	<u>-</u>	<u>-</u>	<u>28,000</u>	<u>28,000</u>

	2012	2011
	£	£
These deferrals are included in creditors	<u>28,000</u>	<u>-</u>

The deferrals included in creditors relate to those grants and donations specified by the donors as relating to specific periods and represent those parts of the grants or donations which relate to periods subsequent to the accounting year end and are treated as grants in advance, or alternatively where there are conditions which must be fulfilled prior to entitlement or use of the grant or donation by the charity

Cleveland Independent Theatre Company Limited

Notes to the Accounts

for the year ended 31 March 2012

10 Staff costs and emoluments

	2012	2011
	£	£
Gross salaries	76,501	80,824
Employer's national insurance	9,454	9,350
	<u>85,955</u>	<u>90,174</u>

Numbers of full time employees or full time equivalents

	2012	2011
Engaged on charitable activities	2	2
Engaged on management and administration	4	2
	<u>6</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

11 Trustees' remuneration

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

12 Tangible functional fixed assets

	Plant and machinery etc £	Total £
Asset cost, valuation or revalued amount		
At 1 April 2011	5,337	5,337
Additions	1,243	1,243
At 31 March 2012	<u>6,580</u>	<u>6,580</u>
Accumulated depreciation and impairment provisions		
At 1 April 2011	3,954	3,954
Charge for the year	893	893
At 31 March 2012	<u>4,847</u>	<u>4,847</u>
Net book value		
At 31 March 2012	<u>1,733</u>	<u>1,733</u>
At 31 March 2011	<u>1,383</u>	<u>1,383</u>

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

Cleveland Independent Theatre Company Limited

Notes to the Accounts

for the year ended 31 March 2012

13 Debtors	2012	2011
	£	£
Trade debtors	3,845	1,300
Other debtors	-	3,658
Prepaid expenses	-	3,542
VAT recoverable	2,298	695
	<u>6,143</u>	<u>9,195</u>

14 Creditors: amounts falling due within one year	2012	2011
	£	£
Trade creditors	12,216	593
Accrued expenses	3,300	3,938
PAYE and NI	2,245	2,893
Other creditors	1,277	1,277
Deferred income and grants in advance (see note 9)	28,000	-
	<u>47,038</u>	<u>8,701</u>

15 Operating leases

At the year end the company had annual commitments under non-cancellable operating leases as set out below

	2012	2011
	£	£
Operating leases which expire within two to five years	1,201	3,597
	<u>1,201</u>	<u>3,597</u>

16 Post balance sheet events

On 2 July 2012 the company moved offices into The Meeting Rooms. Capital expenditure of £5,000 was incurred to purchase additional furniture, office and computer equipment

17 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 £150,513 from Arts Council England, North East during the year, (2011 £161,669). There were no amounts outstanding at 31 March 2012, (2011 £Nil).

Cleveland Independent Theatre Company Limited

Notes to the Accounts

for the year ended 31 March 2012

18 Analysis of the net movement in funds

	2012 £	2011 £
Net movement in funds from Statement of Financial Activities	(29,883)	21,138
Net movement in funds available for future activities	(29,883)	21,138

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

At 31 March 2012	Unrestricted funds £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	1,733	-	-	1,733
Current assets	85,401	3,000	-	88,401
Current liabilities	(47,038)	-	-	(47,038)
	<u>40,096</u>	<u>3,000</u>	<u>-</u>	<u>43,096</u>
At 1 April 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>

The individual funds included above are -

	Funds at 2011 £	Movements in funds as below £	Transfers between funds £	Funds at 2012 £
Revenue reserves	69,979	(29,883)	-	40,096
Disabled access	3,000	-	-	3,000
Grants for the Arts	-	-	-	-
	<u>72,979</u>	<u>(29,883)</u>	<u>-</u>	<u>43,096</u>

Analysis of movements in funds as shown in the table above

	Incoming resources £	Outgoing resources £	Gains and losses £	Movement in funds £
Revenue reserves	207,879	(237,762)	-	(29,883)
Disabled access	-	-	-	-
Grants for the Arts	24,831	(24,831)	-	-
	<u>232,710</u>	<u>(262,593)</u>	<u>-</u>	<u>(29,883)</u>

Grants for the Arts

Fund was received to cover the costs of artistic redevelopment of My Mother Told Me Not To Stare, an opera for young audiences aged 8 years and above

Cleveland Independent Theatre Company Limited

Notes to the Accounts

for the year ended 31 March 2012

20 Endowment funds

The charity had no endowment funds in the year ended 31 March 2012 or in the year ended 31 March 2011

21 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

There are 6 members of the company (2011 - 4 members)