

REGISTERED COMPANY NUMBER: 01458421 (England and Wales)
REGISTERED CHARITY NUMBER: 279690

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014
FOR
CLEVELAND INDEPENDENT THEATRE COMPANY
LIMITED

Christie Proud Thompson
Statutory Auditors
80 Victoria Road
Darlington
County Durham
DL1 5JG

MONDAY



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CLEVELAND INDEPENDENT THEATRE COMPANY
LIMITED

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for the Year Ended 31 March 2014

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CLEVELAND INDEPENDENT THEATRE COMPANY
LIMITED

REPORT OF THE TRUSTEES
for the Year Ended 31 March 2014

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2014. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

01458421 (England and Wales)

Registered Charity number

279690

Registered office

The Meeting Rooms
5 Skinnergate
Darlington
County Durham
DL3 7NB

Trustees

Miss A I Besford
Ms E Gaudern
Mrs E K Hepplewhite
Mrs E A Langham
Mrs D C Long
Mrs P Moger
D Parry
Ms S A Paterson
Mrs J Farmer
Mrs G Lamb

- resigned 30/9/2013

- resigned 6/11/2013

Auditors

Christie Proud Thompson
Statutory Auditors
80 Victoria Road
Darlington
County Durham
DL1 5JG

Solicitors

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

Bankers

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

CLEVELAND INDEPENDENT THEATRE COMPANY
LIMITED

REPORT OF THE TRUSTEES
for the Year Ended 31 March 2014

REFERENCE AND ADMINISTRATIVE DETAILS

The full name of the charity is Cleveland Independent Theatre Company Limited. The charity is also known by the name Theatre Hullabaloo.

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

All trustees are members of the charity.

Senior Staff Members

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

Staff Team

Kelly Bewick, Financial Controller
Diann Allenby, Tour Coordinator
Dorcas Pye, Communications Manager
Lucy Ridley, TakeOff Festival Manager

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is constituted as a company limited by guarantee and is therefore governed by its Memorandum and Articles of Association. The directors of the company are also trustees of the charity. The company's registration number is 01458421. It is a registered charity with the Charity Commission, number 279690. There are currently eight members, each of whom agree to contribute £1 in the event of the charitable company winding up.

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 external advisors to the organisation. The company also has an open application process for recruitment of board members, the terms of which are available via the website.

Induction and training of new 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 holds annual away days to address training needs and the company's strategic aims.

Organisational structure

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.

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.

Relationships with other groups, charities and individuals

Valuable partnerships this year included those with Darlington Borough Council, Creative Darlington, Durham County Council and Arts Team, Event Durham and Durham University, Teesside University, Theatre by the Lake and the North East Children's Theatre Consortium.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

CLEVELAND INDEPENDENT THEATRE COMPANY
LIMITED

REPORT OF THE TRUSTEES
for the Year Ended 31 March 2014

OBJECTIVES AND ACTIVITIES

Objectives and aims

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 is made in a child-centred way, positioning young people at the heart of the artistic process to ensure the work we create is relevant to their lives.

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:

Luna, a delightful theatre experience about friendship, the moon and being brave in the dark for audiences of 2-5 years old and their families.

TakeOff Festival is England's leading festival of theatre for young audiences. In 2013 TakeOff Festival took place in Durham where we welcomed 118 delegates from across the UK and abroad to share in shows, workshops, discussion and networking. The festival also brought world-class theatre for children to more than 4,000 young people in the region over the week-long festival.

Spinning Yarns, a new promenade performance for families which took children's versions of traditional tales and knitted them together to make new stories and songs. Spinning Yarns was commissioned as part of the Festival of Thrift.

Theatre Hullabaloo continued to lead the North East Children's Theatre Consortium, a three year project with seven partner venues aimed at raising the quality and profile of theatre for children and families within those venues.

Working closely with colleagues at Darlington Borough Council, Theatre Hullabaloo has submitted a detailed bid to Arts Council England for capital funding for a new flagship theatre for children in Darlington. This application has now received an award of £1.5m at Stage One of the process.

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 of a new show for younger children with higher profile partnerships, for example a residency at The Unicorn and a Christmas run at Theatre by the Lake
- Build regional partnerships to ensure a new home for the company, develop children's theatre regionally and expand the festival offer
- Diversify funding streams and secure new funding partnerships
- 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
- Prepare and submit an application to Arts Council England for continued investment through their National Portfolio for 2015-18.

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
- Developing ideas through a **child-centred** approach
- 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's development of an original piece of early years theatre, in collaboration with Cardiff-based Theatr lolo, strengthened our reputation as producers of quality theatre for younger children. Luna played in residencies in the North East and in Wales, underlining both organisations' commitment to our regional audiences, before heading out on an extensive national tour.

CLEVELAND INDEPENDENT THEATRE COMPANY
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REPORT OF THE TRUSTEES
for the Year Ended 31 March 2014

OBJECTIVES AND ACTIVITIES

Objectives and aims

Our Theatre Firsts Campaign - celebrating first theatre experiences - was launched and generated a good response from audiences, young and old.

TakeOff Festival, taking place in Durham City for a second year, focussed on playfulness and interactivity and included a wide range of artists and companies from the UK and abroad with work reaching across the region through partnerships with the North East Children's Theatre Consortium.

For the first time, Theatre Hullabaloo produced and distributed a brochure including all the theatre for children and families across our region during the autumn in an attempt to increase frequency of attendance and make theatre-going more accessible for families.

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

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.

Significant activities

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

2013/14 saw continued expansion of Theatre Hullabaloo's regional leadership role in theatre for young audiences through the continued growth of TakeOff Festival and also through the development of the North East Children's Theatre Consortium.

The requirement to reapply to Arts Council England on a three year cycle focussed the minds of staff and boards in the development of a programme for 2015-18 which includes ambitious projects created through our child-centred approach, higher profile partnership working and a further expansion of TakeOff Festival into areas of little cultural opportunity in Teesdale, Weardale and East Durham. We were delighted to be awarded funding for 2015-18 with a £45k annual uplift to support our ambitions for the festival. This investment provides a solid bedrock for an ambitious programme and indicates that our core funder believes in the organisation's vision and reputation.

In tandem with the strategic planning required for the programme application, Theatre Hullabaloo, in partnership with Darlington Borough Council, also developed a proposal for a flagship theatre for children to be sited in an Edwardian Fire Station adjacent to the Civic Theatre. A detailed period of planning and consultation was led by Roger Lancaster Associates with the Chief Executive and Chair of the Board to ensure that the proposal to enter a capital project to create a new home for Theatre Hullabaloo was robust. The application to Arts Council England's Large Scale Capital Fund was awarded £1.5m at Stage 1 and the organisation is now working closely with colleagues at Darlington Borough Council to further develop this unique proposition for the benefit of children and families in the town and beyond.

The Hullaballoon, due to open in early 2017, will have national significance as a centre of excellence for theatre for children and a destination for families from across the North East and beyond. The venue will be vision-led, creating a space that is truly child-centred, embodying the values of Theatre Hullabaloo and providing a base for the organisation to develop new strands of child-centred work that will diversify its income streams and attract new investment. The venue will include a 150 seat studio theatre, creative play installation space, café area, workshop / studio space, dressing rooms, toilets and play space.

CLEVELAND INDEPENDENT THEATRE COMPANY
LIMITED

REPORT OF THE TRUSTEES
for the Year Ended 31 March 2014

OBJECTIVES AND ACTIVITIES

Significant activities

Alongside these key strategic developments, Theatre Hullabaloo also delivered an ambitious artistic programme of work including:-

Luna, a new production for 2-5 year olds about friendship, the moon and being brave in the dark, in partnership with Cardiff-based Theatr Iolo. The show was created in Cardiff and trialled in short residencies in South Wales and also through a three week residency at ARC, Stockton, where Theatre Hullabaloo provided supported visits for local nurseries. Luna then went on to tour nationally in the autumn 2013, including residencies at The Unicorn Theatre and Theatre by the Lake, and again in the Spring 2014.

The show has been very well received critically, with the Children's Theatre Reviews awarding it 5 stars "This is children's theatre at its best". The partnership with Theatr Iolo has been very positive artistically and also in terms of developing new touring relationships. The show has captured the imaginations of our audiences, with record numbers of parents engaging with competitions and activities through social media.

The opportunity to present Luna at Theatre by the Lake as their first foray into early years theatre at Christmas has seeded an exciting new artistic partnership which will see the development of a new co-production for younger children in 2015. The success of Luna means that it is anticipated that it will remain in Theatre Hullabaloo's repertoire and will tour extensively, reaching more children and building the organisation's reputation for high quality theatre for early years audiences.

TakeOff is England's leading festival of theatre for young audiences. In 2013, TakeOff's 26th year, the festival further established itself in Durham where we welcomed 108 delegates from across the UK and abroad to share in shows, workshops and professional development opportunities. The programme focussed on the theme of playfulness and interactivity and included panel discussions and a range of work from European companies specialising in theatre for early years. Integrated travel and ticket deals for schools from rural areas of County Durham were a strategic priority for the festival in 2013 and we welcomed record numbers of school children, an 81% increase overall.

Theatre Hullabaloo continues to pioneer a child-centred artistic process, positioning children and young people at the heart of the way we develop our work. In partnership with social enterprise, Inspired Youth, a long period of development with Young Carers Revolution, a group of young carers aged 11-18, will result in a new play for schools in the summer 2014. This is a piece commissioned by the young carers to raise awareness amongst primary aged children of the realities faced by young people who have a caring role. The child-centred approach and huge commitment from the young people and the creative team will ensure that the final piece will have integrity and authenticity.

In summary, the artistic programme has been characterised by new work, created in partnership, aimed at engaging broader family audiences and reinforcing the company's national touring profile, the further development of the child-centred approach and the way artists work with young people and the expansion of festival opportunities to strategically target those with little access to cultural opportunities.

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 ongoing 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 public subsidy.

In 2013/14, Theatre Hullabaloo reviewed its Equalities Plan. This was led by the Creative Producer and nominated Board Member, but the staff team and the Board collaborated to identify priority areas.

The focus of the equalities plan is the recognition that many areas of our region and its young people suffer significant socio-economic disadvantage and so Theatre Hullabaloo will show a particular commitment to ensuring that our programme and practice extends opportunities to areas of low cultural activity. Our expansion of the opportunities of the TakeOff Festival in County Durham and Teesside, with subsidised travel to enable rural schools to participate, is one example of how we are trying to address this priority.

The Equality Plan covers the following areas:

1. Recruitment and employment
2. Artistic policy and programming
3. Marketing and audience development
4. Monitoring and evaluation
5. Budget

CLEVELAND INDEPENDENT THEATRE COMPANY
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REPORT OF THE TRUSTEES
for the Year Ended 31 March 2014

OBJECTIVES AND ACTIVITIES

Significant activities

Our own artistic programme is made up of a diverse repertoire of work for a wide age-range, always made in partnership with other organisations and with different creative teams.

We are developing a new website which will embody latest best practice in DDA compliance. This will launch in August 2014.

It is a priority of the organisation to diversify its Board of Trustees as skills vacancies arise.

We continue to offer and champion relaxed performances within our national tour and across the North East Children's Theatre Consortium and work with venues to offer signed performances where there is demand.

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. Sharon Paterson, Chair of the Board since October 2012, is actively involved with the organisation's activity and supports the Creative Producer. Recent Board reviews in light of the capital project has led to a more formalised board sub-group structure, focussed particularly on a rigorous approach to financial management and strategies for income generation as well as closely monitoring the capital project development.

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. In line with our equalities policy, the organisation champions the right of all young people to access to high quality theatre experiences as a vital part of childhood. We therefore pioneer an integrated travel and ticket subsidy for schools and nurseries in order not to discriminate against smaller rural schools with limited access to affordable transport or cultural opportunities.

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.

OBJECTIVES AND ACTIVITIES

Public benefit

Although heavily subsidised by Arts Council England and other funders, 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. In line with our equalities policy, the organisation champions the right of all young people to access to high quality theatre experiences as a vital part of childhood. We therefore pioneer an integrated travel and ticket subsidy for schools and nurseries in order not to discriminate against smaller rural schools with limited access to affordable transport or cultural opportunities.

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ACHIEVEMENT AND PERFORMANCE

Charitable activities

In 2013/14 Theatre Hullabaloo gave 168 performances in theatres, arts venues and schools which were attended by 10,167 children and their grown-ups.

The company also ran educational workshops and extension activities to enhance young people's experiences of our work, 746 young people took part in these activities.

Fundraising activities

The charity relies on grant aid from 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 funders and partners such as Darlington Borough Council, Creative Darlington, Durham County Council, Durham University, Teesside University, Theat Iolo, Banks Group, our festival corporate supporters, volunteers and private donors and to our primary funder, Arts Council England.

CLEVELAND INDEPENDENT THEATRE COMPANY
LIMITED

REPORT OF THE TRUSTEES
for the Year Ended 31 March 2014

FINANCIAL REVIEW

Reserves policy

During the year the charity'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 £35,000 which we believe would adequately cover costs of the company if it had to be dissolved.

Principal funding sources

Arts council England, North East provided a revenue grant of £207,749. 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.

Investment policy and objectives

The trustees have considered the most appropriate way for investing cash resources and have decided that term bank deposits meet their requirements of a reasonable rate of return, without capital risk, and with predictable accessibility to the funds. The trustees review this policy on a regular basis.

PLANS FOR FUTURE PERIODS

The following projects begun this year and will come into fruition in 2014-15:-

Tiny Treasures, a new show commissioned by young carers to raise awareness amongst primary school children of the realities of being a young carer, will tour to schools in the North East and Yorkshire in the summer 2014.

Angel, the story of a friendship between a young girl and a woman with Alzheimer's, first commissioned by Theatre Hullabaloo in 2012, will tour nationally in the autumn 2014, including a residency at Polka Theatre.

Takeoff Festival 2014 will be presented in a new format to focus on festival activity across the region, part of a new two year which has a biennial delegate event. The packed programme in venues including theatres, schools, community centres and even teepees, will bring world-class theatre to young people families across the region, developing audiences in areas with little cultural provision. Theatre Hullabaloo will continue to take a regional leadership role in promoting family theatre and leads an annual programme of work through the North East Children's Theatre Consortium.

TRANSACTIONS AND FINANCIAL POSITION

The charitable company achieved a deficit of £12,862 in the year made up of a surplus of unrestricted funds of £4,386 and a deficit on restricted funds of £17,248. Total charitable income fell from £441,467 to £347,206 in the year due to a reduction in core and theatrical income. Reserves at the year end were £145,116 of which £113,990 is unrestricted funds and £31,126 is restricted funds.

CLEVELAND INDEPENDENT THEATRE COMPANY
LIMITED

REPORT OF THE TRUSTEES
for the Year Ended 31 March 2014

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Cleveland Independent Theatre Company Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

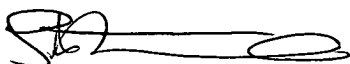
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Christie Proud Thompson, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 20 November 2014 and signed on its behalf by:



Ms S A Paterson - Trustee

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 2014 on pages ten to eighteen. 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 charitable company's trustees, as a body, in accordance with Section 145 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page eight, 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 145 of the Charities Act 2011 and report in accordance with regulations made under 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 Ethical Standards for Auditors, including APB Ethical Standard - Provisions Available for Small Entities (Revised), in the circumstances set out in note 18 to the financial statements

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 of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2014 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; 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 Report of the Trustees 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.



Christie Proud Thompson
Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
80 Victoria Road
Darlington
County Durham
DL1 5JG

20 November 2014

CLEVELAND INDEPENDENT THEATRE COMPANY
LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 March 2014

		Unrestricted funds £	Restricted funds £	Total 2014 funds £	Total 2013 funds £
	Notes				
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	209,659	83,521	293,180	343,576
Investment income	3	301	-	301	126
Incoming resources from charitable activities					
Theatre activities	4	35,595	-	35,595	78,192
TakeOff Festival		-	17,305	17,305	19,573
Other incoming resources		<u>825</u>	<u>-</u>	<u>825</u>	<u>-</u>
Total incoming resources		246,380	100,826	347,206	441,467
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income	5	23,890	-	23,890	25,709
Charitable activities					
Theatre activities	6	213,864	100,769	314,633	277,484
TakeOff Festival		-	17,305	17,305	19,573
Governance costs	8	<u>4,240</u>	<u>-</u>	<u>4,240</u>	<u>3,819</u>
Total resources expended		241,994	118,074	360,068	326,585
NET INCOMING/(OUTGOING) RESOURCES		4,386	(17,248)	(12,862)	114,882
RECONCILIATION OF FUNDS					
Total funds brought forward		109,604	48,374	157,978	43,096
TOTAL FUNDS CARRIED FORWARD		<u>113,990</u>	<u>31,126</u>	<u>145,116</u>	<u>157,978</u>

The notes form part of these financial statements

CLEVELAND INDEPENDENT THEATRE COMPANY
LIMITED

BALANCE SHEET
At 31 March 2014

	Not es	Unrestricted funds £	Restricted funds £	Total 2014 funds £	Total 2013 funds £
FIXED ASSETS					
Tangible assets	12	3,301	-	3,301	4,470
CURRENT ASSETS					
Debtors	13	51,171	-	51,171	48,725
Cash at bank and in hand		<u>73,242</u>	<u>31,126</u>	<u>104,368</u>	<u>113,243</u>
		124,413	31,126	155,539	161,968
CREDITORS					
Amounts falling due within one year	14	(13,724)	-	(13,724)	(8,460)
NET CURRENT ASSETS		<u>110,689</u>	<u>31,126</u>	<u>141,815</u>	<u>153,508</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>113,990</u>	<u>31,126</u>	<u>145,116</u>	<u>157,978</u>
NET ASSETS		<u>113,990</u>	<u>31,126</u>	<u>145,116</u>	<u>157,978</u>
FUNDS	16				
Unrestricted funds				113,990	109,604
Restricted funds				<u>31,126</u>	<u>48,374</u>
TOTAL FUNDS				<u>145,116</u>	<u>157,978</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2014.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

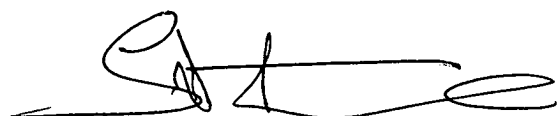
The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Trustees on 20 November 2014 and were signed on its behalf by:



Ms S A Paterson -Trustee

24. 11. 14

The notes form part of these financial statements

CLEVELAND INDEPENDENT THEATRE COMPANY
LIMITED

Notes to the Financial Statements
for the Year Ended 31 March 2014

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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 and 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 Trustee's 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

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Cost 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:

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

Support costs of activities of 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.

Allocation and apportionment of costs

The methods and principles of 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.

CLEVELAND INDEPENDENT THEATRE COMPANY
LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 March 2014

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 20% on cost
Computer equipment	- 33% on cost

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

A regular 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 charity. 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.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

There is no formal policy for transfers 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.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

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.

Finance and operating lease

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.

2. VOLUNTARY INCOME

	2014	2013
	£	£
Grant income	83,522	120,723
Donated services and facilities	1,909	3,500
Core funding	<u>207,749</u>	<u>219,353</u>
	<u>293,180</u>	<u>343,576</u>

3. INVESTMENT INCOME

	2014	2013
	£	£
Deposit account interest	<u>301</u>	<u>126</u>

CLEVELAND INDEPENDENT THEATRE COMPANY
LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 March 2014

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Activity	2014 £	2013 £
Production income	Theatre activities	35,595	78,192
Earned income	TakeOff Festival	<u>17,305</u>	<u>19,573</u>
		<u>52,900</u>	<u>97,765</u>

5. COSTS OF GENERATING VOLUNTARY INCOME

	2014 £	2013 £
Staff costs	<u>23,890</u>	<u>25,709</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Support costs (See note 7) £	Totals £
Theatre activities	231,303	83,330	314,633
TakeOff Festival	<u>17,305</u>	<u>-</u>	<u>17,305</u>
	<u>248,608</u>	<u>83,330</u>	<u>331,938</u>

7. SUPPORT COSTS

	Management £	Finance £	Totals £
Theatre activities	<u>56,579</u>	<u>26,751</u>	<u>83,330</u>

8. GOVERNANCE COSTS

	2014 £	2013 £
Trustees expenses	-	417
Accountancy	2,240	1,500
Auditors remuneration	<u>2,000</u>	<u>1,902</u>
	<u>4,240</u>	<u>3,819</u>

9. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2014 £	2013 £
Depreciation - owned assets	<u>1,589</u>	<u>1,832</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2014 nor for the year ended 31 March 2013.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2014 (2013: £417).

CLEVELAND INDEPENDENT THEATRE COMPANY
LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 March 2014

11. STAFF COSTS

	2014 £	2013 £
Wages and salaries	99,084	94,320
Social security costs	<u>11,590</u>	<u>12,090</u>
	<u><u>110,674</u></u>	<u><u>106,410</u></u>

The average monthly number of employees during the year was as follows:

	2014	2013
Management	1	1
Charitable activities	<u>4</u>	<u>4</u>
	<u><u>5</u></u>	<u><u>5</u></u>

No employees received emoluments in excess of £60,000.

12. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2013	4,828	6,321	11,149
Additions	-	420	420
Disposals	<u>(387)</u>	<u>(1,243)</u>	<u>(1,630)</u>
At 31 March 2014	<u><u>4,441</u></u>	<u><u>5,498</u></u>	<u><u>9,939</u></u>
DEPRECIATION			
At 1 April 2013	2,755	3,924	6,679
Charge for year	524	1,065	1,589
Eliminated on disposal	<u>(387)</u>	<u>(1,243)</u>	<u>(1,630)</u>
At 31 March 2014	<u><u>2,892</u></u>	<u><u>3,746</u></u>	<u><u>6,638</u></u>
NET BOOK VALUE			
At 31 March 2014	<u><u>1,549</u></u>	<u><u>1,752</u></u>	<u><u>3,301</u></u>
At 31 March 2013	<u><u>2,073</u></u>	<u><u>2,397</u></u>	<u><u>4,470</u></u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade debtors	1,697	4,479
VAT	5,043	2,969
Prepayments and accrued income	<u>44,431</u>	<u>41,277</u>
	<u><u>51,171</u></u>	<u><u>48,725</u></u>

CLEVELAND INDEPENDENT THEATRE COMPANY
LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 March 2014

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Trade creditors	7,718	4,074
Social security and other taxes	1,467	848
Accrued expenses	<u>4,539</u>	<u>3,538</u>
	<u><u>13,724</u></u>	<u><u>8,460</u></u>

15. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	2014	2013
	£	£
Expiring:		
Within one year	9,580	-
Between one and five years	28,420	1,201
In more than five years	<u>8,100</u>	<u>-</u>
	<u><u>46,100</u></u>	<u><u>1,201</u></u>

16. MOVEMENT IN FUNDS

	At 1.4.13	Net movement in funds	At 31.3.14
	£	£	£
Unrestricted funds			
General fund	106,604	4,386	110,990
Designated fund	<u>3,000</u>	<u>-</u>	<u>3,000</u>
	109,604	4,386	113,990
Restricted funds			
ACE - NECTC	<u>48,374</u>	<u>(17,248)</u>	<u>31,126</u>
TOTAL FUNDS	<u><u>157,978</u></u>	<u><u>(12,862)</u></u>	<u><u>145,116</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	246,380	(241,994)	4,386
Restricted funds			
ACE - NECTC	46,162	(63,410)	(17,248)
ACE - Catalyst funding	7,679	(7,679)	-
DCC - Takeoff festival	4,000	(4,000)	-
Small size, big citizens: European	4,680	(4,680)	-
Takeoff festival	17,305	(17,305)	-
Capital project	<u>21,000</u>	<u>(21,000)</u>	<u>-</u>
	100,826	(118,074)	(17,248)
TOTAL FUNDS	<u><u>347,206</u></u>	<u><u>(360,068)</u></u>	<u><u>(12,862)</u></u>

CLEVELAND INDEPENDENT THEATRE COMPANY
LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 March 2014

16. MOVEMENT IN FUNDS - continued

North East Children's Theatre Consortium (NECTC)

As lead member and responsible for managing the funds from Arts Council England, Theatre Hullabaloo has distributed £63,410 as contributions to the costs of the consortium members incurred in programming work for young audiences, raising the profile of that work and investing in future development opportunities for this work.

Takeoff Festival

Durham County Council awarded £4,000 to assist with the funding of the festival. Delegate, visitor and schools contributed income of £17,305 towards the costs of the festival.

Small size, Big Citizens: European Small Size Network

Theatre Hullabaloo is a member of this network of theatre companies. The network awards funds out of the European Early Years project to assist with programme funding and training.

Catalyst Funding

Arts Council England provides support and match funding to enable fundraising and income generation.

Capital Project

Darlington Council, through Creative Darlington, provided consultancy fees to support the charity's business planning and feasibility for the capital project.

Designated Fund

Included within unrestricted reserves is a designated fund of £3,000, a fund towards disabled access.

17. RELATED PARTY DISCLOSURES

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 £207,749 (2013: £208,000) from Arts Council England North East during the year. There were no amounts outstanding at 31 March 2014 (2013: £Nil).

There are no other related party transactions.

18. APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

19. POST BALANCE SHEET EVENTS

In July 2014, the charity learned that it had been successful in a Stage 1 application to Arts Council England for £1.5m funding towards a new child-centred theatre space on a site adjacent to Darlington Civic Theatre. A Development Grant of £175,932 has been awarded to support the organisation to submit a Stage 2 application in July 2015 in partnership with Darlington Borough Council.

In addition to the Capital award, Theatre Hullabaloo has also secured continued National Portfolio Funding from Arts Council England at the level of £250,318 per year for the period April 2015 - March 2018. This represents a £45,000 annual uplift on the organisation's core funding from Arts Council to support the ambitious expansion of TakeOff Festival into rural areas of County Durham and create more opportunities for younger children and families in areas of low engagement.

The Board of Trustees has made prudent plans to invest unrestricted reserves into specific projects over the period 2015 - 2018, including significant investment into the transition into The Hullaballoon and the growth of TakeOff Festival into areas of greatest need. Project budgets show that reserves will be reduced to the minimum levels advised by the end of 2017/2018.

20. ULTIMATE CONTROLLING PARTY

The charity is under the control of the trustees.

CLEVELAND INDEPENDENT THEATRE COMPANY
LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 March 2014

21. LIMITED BY GUARANTEE

The charity is incorporated under the Companies Act 2006 and is limited by guarantee. Each member has 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 currently 8 member of the charity (2013: 10 members).

CLEVELAND INDEPENDENT THEATRE COMPANY
LIMITED

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 March 2014

	2014 £	2013 £
INCOMING RESOURCES		
Voluntary income		
Grant income	83,522	120,723
Donated services and facilities	1,909	3,500
Core funding	<u>207,749</u>	<u>219,353</u>
	293,180	343,576
Investment income		
Deposit account interest	301	126
Incoming resources from charitable activities		
Production income	35,595	78,192
Earned income	<u>17,305</u>	<u>19,573</u>
	52,900	97,765
Other incoming resources		
Other income	<u>825</u>	<u>-</u>
Total incoming resources	347,206	441,467
RESOURCES EXPENDED		
Costs of generating voluntary income		
Wages	22,265	23,876
Social security	<u>1,625</u>	<u>1,833</u>
	23,890	25,709
Charitable activities		
Wages	44,018	36,560
Social security	6,869	7,487
Production costs	11,997	13,360
Directors and designers	9,568	8,311
Sets and props	6,840	4,641
Actors fees	35,818	49,340
Musicians fees	-	2,600
Royalties	8,362	3,240
Marketing	8,946	19,677
Takeoff festival	31,884	26,369
Touring company fees	2,238	6,300
Touring travel and subsistence	21,320	26,819
Management fees	-	1,115
Vehicle hire	-	1,540
NECTC direct expenses	38,904	-
Professional fees: Capital bid	<u>21,844</u>	<u>-</u>
	248,608	207,359
Governance costs		
Trustees expenses	-	417
Accountancy	2,240	1,500
Auditors remuneration	<u>2,000</u>	<u>1,902</u>
	4,240	3,819

This page does not form part of the statutory financial statements

CLEVELAND INDEPENDENT THEATRE COMPANY
LIMITED

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 March 2014

Support costs

	2014	2013
	£	£
Management		
Wages	8,510	9,616
Social security	636	786
Rates and water	695	1,396
Insurance	1,303	1,551
Light and heat	2,793	2,735
Telephone	2,063	3,541
Print, post and stationery	2,647	4,967
Advertising	7,681	2,674
Sundries	313	528
Rent	5,545	8,078
Information and publications	141	382
Subscriptions	943	500
IT support and maintenance	1,360	2,253
Bank charges	1,175	826
Leasing of equipment	3,279	4,516
Repairs and maintenance	350	3,598
Cleaning	842	502
Legal fees	-	3,254
Consultancy fees	3,595	7,029
Bad debts	511	-
Training and welfare	1,559	457
Travel and subsistence	4,095	2,021
Recruitment expenses	132	404
VAT manual adjustments	4,822	-
Fixtures and fittings	524	496
Computer equipment	<u>1,065</u>	<u>1,336</u>
	56,579	63,446
Finance		
Wages	24,291	24,268
Social security	<u>2,460</u>	<u>1,984</u>
	<u>26,751</u>	<u>26,252</u>
Total resources expended	360,068	326,585
Net (expenditure)/income	<u>(12,862)</u>	<u>114,882</u>